Government of Alberta

2004-05

Annual Report

Report to Albertans
on Budget 2004

Alberta

This is the report to Albertans on **Budget 2004 – ON ROUTE ON COURSE** ***Heading Toward Alberta's Second Century***. It is a permanent public record of ALL the dollars spent and the results achieved by the Government of Alberta for the 2004-05 fiscal year.

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ACCOUNTABILITY STATEMENT

The government's Annual Report for the year ended March 31, 2005 was prepared under my direction on behalf of the government in accordance with the *Government Accountability Act* and the government's accounting policies. All of the government's policy decisions as at June 21, 2005 with material economic or fiscal implications have been considered in the preparation of the Annual Report.

Shirley McClellan

Shirley McClellan
Minister of Finance

BUDGET
2004

ON ROUTE ON COURSE

Heading Toward Alberta's Second Century

A MESSAGE FROM THE MINISTER OF FINANCE

Alberta achieved this year what we have all worked long and hard to accomplish: the elimination of nearly $23 billion in accumulated debt. At its peak, debt servicing consumed $1.7 billion in a year. Money that once paid interest is now returned to Albertans through programs and services and tax relief. This is an ultimate legacy to future generations: a province free of accumulated debt, and new opportunities ahead of us.

In 2004-05, the Government of Alberta made substantial investments in education, with increased funding to implement recommendations of Alberta's Commission on Learning; in infrastructure, as support for capital projects increased by over 70 per cent, reaching $2.8 billion; and health, which accounted for over $9 billion or 38 per cent of the province's program expense.

Alberta also used its financial resources – $981 million from the Sustainability Fund – to offer BSE assistance, fight forest fires, aid flood victims, and provide natural gas rebates.

The past eleven years of balanced budgets have helped maintain Alberta's position as a fiscal leader in Canada; a position to be sustained and strengthened by not overextending commitments beyond what is prudent and sustainable.

The province's fiscal position is also enhanced by a positive business climate that contributes to a robust, expanding economy. An increasingly diverse economy – in manufacturing, agriculture, and services – contribute to strong employment growth. Albertans benefited from 40,000 new jobs this year and the lowest unemployment rate in the country.

We also continued to enjoy the highest disposable incomes per capita, and the lowest overall tax burdens in Canada. Continued indexation of the personal tax system prevented inflation from eroding past tax cuts. On April 1, 2004, the general corporate tax rate was reduced to 11.5 per cent from 12.5 per cent and the small business rate fell to three per cent from four per cent.

Alberta enters its centennial year without accumulated debt and on route to a second century even more prosperous and promising than the last. Alberta's horizons remain broad, open, and promising for our next 100 years. With an ongoing commitment to the people, prosperity and preservation of our province, we can together make Alberta's second century even better.

Shirley McClellan

Shirley McClellan
Minister of Finance

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Preface

The Public Accounts of Alberta are prepared in accordance with the *Financial Administration Act* and the *Government Accountability Act*. The Public Accounts consist of the annual report of the Government of Alberta and the annual reports of each of the 24 ministries.

This annual report of the Government of Alberta contains the Minister of Finance's accountability statement, the consolidated financial statements of the Province and the Measuring Up report, which compares actual performance results to desired results set out in the government's business plan.

The annual reports of ministries, released in the fall of each year, contain Ministers' accountability statements, the audited consolidated financial statements of the ministries and a comparison of actual performance results to desired results set out in the ministries' business plans. Each ministry annual report also includes:

- financial statements of entities making up the ministry including departments (all departments combined form the General Revenue Fund), regulated funds, provincial agencies and Crown-controlled corporations,
- other financial information as required by the *Financial Administration Act* and *Government Accountability Act*, either as separate reports or as a part of financial statements, to the extent that the ministry has anything to report, and
- financial information relating to accountable organizations and trust funds.

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Executive Summary

BUDGET
2004
ON ROUTE
ON COURSE
Heading Toward Alberta's Second Century

Government of Alberta
Annual Report 2004-05

The Government of Alberta Annual Report consists of two parts:

- ***Consolidated Financial Statements***, which provide an overall accounting of the Government's revenue and spending, and assets and liabilities.
- ***Measuring Up***, which reports on the progress that has been made towards achieving the government's goals.

Annual reports for each ministry are published in September and provide additional detailed information on performance and financial results.

BUDGET
2004

ON ROUTE ON COURSE

Heading Toward Alberta's Second Century

BUDGET 2004 COMMITMENTS

Budget 2004 included a vision for Alberta's second century and a twenty-year strategic plan to achieve that vision. The plan identified four key opportunities – unleashing innovation, leading in learning, competing in the global marketplace, and making Alberta the best place to live, work and visit.

As part of the government's overall strategic plan, the 2004-07 Fiscal Plan focused on:

- increasing support for health and education,
- addressing infrastructure requirements,
- enhancing the Alberta Advantage by reducing corporate income tax rates, encouraging innovation, improving the quality of life of Albertans and strengthening communities,
- continuing the province's commitment to fiscal responsibility through balancing the budget and eliminating debt, and
- protecting spending plans from revenue volatility and costs of emergencies and disasters through the Alberta Sustainability Fund.

These commitments were met:

- The budget was balanced for the eleventh consecutive year. Accumulated debt was eliminated.
- Increased funding was provided to implement recommendations of Alberta's Commission on Learning and support Alberta's health system.
- Support for capital projects increased by over 70%, reaching $2.8 billion.
- The Alberta Sustainability Fund provided nearly $1 billion to offset the cost of disasters, emergencies and natural gas rebates.
- Alberta's tax advantage was strengthened. Business tax rates were cut. Personal income tax continued to be indexed for inflation.

FISCAL HIGHLIGHTS

- **Revenue** was $29.3 billion. This was $6.4 billion higher than budgeted and $3.4 billion, or 13.3%, higher than in 2003-04. The increases from budget and the previous year were primarily due to higher non-renewable resource revenue.
- **Expense** was $24.3 billion. This was $1.6 billion higher than budgeted and $2.4 billion, or 11.2%, higher than in 2003-04. The increase from the previous year was primarily due to higher health and education spending. The increase from budget primarily reflected in-year funding for BSE, fire-fighting, natural gas rebates, and health capital.
- **Revenue exceeded expense** by $5 billion. This was $4.8 billion higher than budgeted and $1 billion higher than in 2003-04.
- **Fourth quarter results**. The year-end surplus was $851 million higher than forecast in the *Third Quarter Fiscal Update* due to higher revenue and lower than forecast expense.
- **Allocation of the surplus.** The 2004-05 surplus was primarily allocated to repaying the province's remaining accumulated debt and to help pay for capital projects. $696 million of the surplus was deposited into the Sustainability Fund after March 31, 2005. A decision regarding the potential reallocation of these funds will be made in 2005-06.
- **Accumulated debt.** The province's accumulated debt was eliminated in 2004-05. Since 1994, nearly $23 billion has been allocated to repaying debt, resulting in savings of approximately $1.5 billion in annual debt servicing costs.
- **Net assets.** At March 31, 2005 the province had net assets of $26.1 billion. This included $10.9 billion in capital assets.

FISCAL FRAMEWORK

- In 2003-04, a new fiscal framework was established based on the recommendations of the Financial Management Commission. This framework:
  - continued to forbid deficits,
  - established a Sustainability Fund to protect spending from volatile revenue and costs of emergencies and disasters,
  - placed limitations on the amount of non-renewable resource revenue that can be used for budget purposes,
  - required a contingency allowance of at least 1% of budgeted revenue,
  - established a Capital Account that allows surpluses to be carried forward from one year to the next to pay for capital projects, and
  - allowed borrowing for capital purposes.
- Changes were made to the fiscal framework effective for the 2004-05 fiscal year.
  - Reflecting the continued strong energy outlook, the *Fiscal Responsibility Act* (*FRA*) was amended to increase the amount of non-renewable resource revenue that can be used for budget purposes from $3.5 billion to $4 billion. (Note: This limit was subsequently increased from $4 billion to $4.75 billion for the 2005-06 fiscal year.)
  - The *FRA* was also amended to allow the cost of settlements with First Nations to be paid from the Sustainability Fund. This is in addition to the previously allowed uses of offsetting the cost of emergencies and disasters, natural gas rebates and, under certain conditions, revenue shortfalls.

Fiscal Summary

(millions of dollars)

		2004-05			2003-04
		Budget	3rd Quarter	Actual	Actual
1	**Revenue**	**22,952**	**28,753**	**29,328**	**25,887**
2	**Expense**				
3	Program	22,286	24,116	23,851	21,480
4	Debt servicing costs	363	325	302	271
5	Pension provisions	119	164	176	132
6	**Total Expense**	**22,768**	**24,605**	**24,329**	**21,883**
7	**Revenue in Excess of Expense**	**184**	**4,148**	**4,999**	**4,004**
8	Adjustment for pension provisions[a]	119	164	176	132
9	**Net Revenue** (*Fiscal Responsibility Act*)[a]	**303**	**4,312**	**5,175**	**4,136**
10	Transfer from Capital Account	741	1,209	1,209	416
11	Retained income/capital cash requirements[b]	-	(254)	(279)	(276)
12	Net transfer from (to) Sustainability Fund	(784)	(5,259)	(6,105)	(4,276)
13	Contingency Allowance	260	8	-	-

[a] For the purposes of the *Fiscal Responsibility Act*, the annual change in pension obligations is excluded from expense and balanced budget requirements. These obligations are scheduled to be eliminated under a separate legislated plan.

[b] The *Fiscal Responsibility Act* required the net of retained income of funds and agencies and capital cash requirements to be set aside as part of the economic cushion in the budget. This amount was not available for transfer to the Sustainability Fund.

ECONOMIC AND TAX HIGHLIGHTS

Economic Highlights

- In 2004, the Alberta economy grew by an estimated 3.7% in real terms. Alberta enjoyed both the highest personal income growth and the lowest unemployment rate in Canada.

- In 2005, Alberta's strong economic growth is expected to continue, with real growth forecast at 3.7%. Continued strong growth in personal incomes and investment are expected to sustain robust economic growth.

- Alberta's employment grew by 2.3% in 2004, as 40,000 jobs were created. Alberta recorded the lowest unemployment rate among the provinces, at 4.6%.

- Alberta had the highest personal disposable income per capita among the provinces at $26,884. This was more than $3,600, or 15.9%, above the national average.

- Alberta's strong economy continued to attract large numbers of migrants from other provinces. For the eighth consecutive year, Alberta had the highest net inter-provincial migration in Canada, with a net increase of 10,902 persons (measured from July 1, 2003 to June 30, 2004).

- Following a dramatic upswing in 2003, conventional energy sector activity strengthened further in 2004, with the average number of rigs drilling rising 4.9% to a record high. Private sector investment in the oil sands increased by about $1 billion, to an estimated $6 billion.

- Alberta's manufacturing sector showed impressive gains in 2004. Manufacturing shipments rose by 15.4% – well above the national growth rate of 8.5%. Industries experiencing strong growth in shipments included machinery (22.8%), chemicals (16.4%), fabricated metals (21.3%) and wood products (28.2%).

- New housing construction continued at high levels. Housing starts rose to 36,270 in 2004, 16% above the average number of starts over the preceding five years.

- Alberta led all provinces in retail sales growth, with sales up 10.3% in 2004. On a per capita basis, Alberta's retail sales remained by far the highest in Canada, 24.8% above the national average.

- The agricultural sector continued to face significant challenges, with Bovine Spongiform Encephalopathy (BSE) having substantial negative economic impacts. Nevertheless, farm cash receipts were up 13.8% in 2004, supported primarily by higher crop receipts.

- Despite rapid economic growth and very low unemployment, Alberta's CPI inflation was only 1.4% in 2004.

Tax Highlights

- Albertans and Alberta businesses continued to pay the lowest taxes in Canada. Indexation of the personal income tax system protected taxpayers by preventing inflation from eroding past tax cuts.

- On April 1, 2004, the general corporate tax rate was reduced to 11.5% from 12.5% and the small business rate fell to 3.0% from 4.0%.

- School property tax rates dropped by about 2.3% for 2004. Senior homeowners who remain in their homes will now receive a rebate to protect them from increases in school property taxes.

- Effective October 1, 2004, all seniors were exempted from paying health care insurance premiums.

Performance Measures

- Albertans had the highest personal disposable income per capita among the provinces.

- Alberta had the lowest total provincial and municipal tax load among the provinces.

- Alberta had the highest labour force participation rate and the lowest unemployment rate among the provinces.

- Alberta's real labour productivity was the highest among the provinces.

OVERVIEW OF PROGRAM AND CAPITAL SPENDING

Expense

- Total expense was $24.3 billion in 2004-05. This was 11.2%, or $2.4 billion, higher than in 2003-04. This included a 7.3% increase in base operating expense and 96.3% increase in capital grants to local authorities and other infrastructure support.
- Health and education accounted for about 80% of the increase in expense from the previous year and represented 63.5% of total expense. Health spending increased by 18.8% and education spending by 9.1%.
- The increase in total expense from the budget estimate was $1.6 billion. This reflected:
  - $705 million for emergency and disaster assistance for BSE, wildfires and floods,
  - $276 million for natural gas rebates,
  - $510 million increase in capital grants, primarily related to health, and
  - $70 million net increase in other expense, including increases for health, education and seniors programs.

Expense[a]

(millions of dollars)

	2004-05		2003-04	Change from	
					2003-04
	Budget	Actual	Actual	Budget	Actual
Base operating expense	20,316	20,444	19,054	128	1,390
Capital grants and other infrastructure support	1,504	2,014	1,026	510	988
Amortization	466	412	389	(54)	23
Emergencies and disasters	-	705	797	705	(92)
Natural gas rebates	-	276	214	276	62
Debt servicing costs	363	302	271	(61)	31
Pension provisions	119	176	132	57	44
Total Expense	**22,768**	**24,329**	**21,883**	**1,561**	**2,446**

[a] Expense does not include capital investment on government-owned projects

Capital Investment	889	828	633	(61)	195

Expense by Function

(millions of dollars)

	2004-05		2003-04	Change from	
					2003-04
	Budget	Actual	Actual	Budget	Actual
Health	8,407	9,071	7,634	664	1,437
Education	6,354	6,384	5,850	30	534
Social services	2,408	2,475	2,265	67	210
Agriculture, resource management and economic development	1,516	1,937	2,049	421	(112)
Transportation, communications and utilities	1,003	1,269	1,020	266	249
Protection of persons and property	801	958	862	157	96
Regional planning and development	428	421	446	(7)	(25)
Recreation and culture	307	294	273	(13)	21
Environment	161	172	164	11	8
Housing	149	150	158	1	(8)
General government	752	720	759	(32)	(39)
Debt servicing costs	363	302	271	(61)	31
Pension provisions	119	176	132	57	44
Total Expense	**22,768**	**24,329**	**21,883**	**1,561**	**2,446**

Capital Plan

- Capital Plan supported $2.8 billion of capital projects in 2004-05. This included:
  - $1.9 billion in capital grants to health authorities, schools, post-secondary institutions, municipalities and other local authorities.
  - $957 million of government-owned capital projects, including highways, water infrastructure and other government facilities.
- The value of capital projects supported by the Capital Plan increased in 2004-05 by $1.2 billion, or 71.3% from 2003-04. Health facilities and equipment accounted for nearly half of this increase.
- Over 11% of Alberta's total spending was for capital purposes. This was more than double the average rate of capital spending in other provinces.

Capital Plan[a]

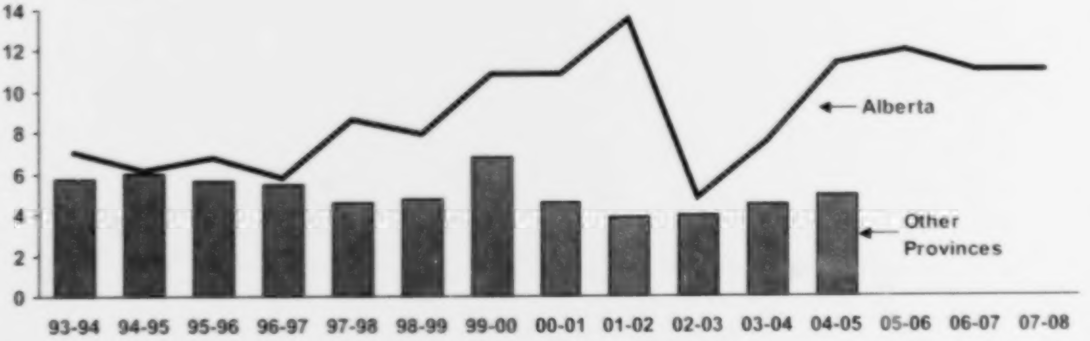
(millions of dollars)

	2004-05		2003-04	Change from	
					2003-04
	Budget	Actual	Actual	Budget	Actual
Health facilities and equipment	433	863	283	430	580
Provincial highway network	587	570	455	(17)	115
Municipal infrastructure support	385	393	258	8	135
Post-secondary facilities	228	231	137	3	94
Schools	221	222	130	1	92
Community facilities and centennial projects	108	163	70	55	93
Government facilities, housing and equipment	374	331	273	(43)	58
Water and wastewater management	57	69	53	12	16
Total Capital Plan	**2,393**	**2,842**	**1,659**	**449**	**1,183**

[a] Capital Plan includes capital investment on government-owned capital ($633 million in 2003-04 and $828 million in 2004-05) which is not reported in expense. The Capital Plan also includes capital grants to local authorities ($920 million in 2003-04 and $1,885 million in 2004-05) and planning and rehabilitation work on provincial highways ($106 million in 2003-04 and $129 million in 2004-05) which are reported as expense. Amortization of government-owned capital is included in expense but is not part of the Capital Plan. Capital Plan presentation has been reclassified to conform to *Budget 2005* presentation.

Interprovincial Comparison of Capital Expenditure

(% of total spending)



Source: Dominion Bond Rating Service Limited, The Canadian Federal and Provincial Governments - 2004 Overview, September 2004. Alberta data for 2003-04 to 2007-08 has been updated by Alberta Finance to reflect the latest Capital Plan information.

Note: The decline in 2002-03 capital expenditure in Alberta partly reflected 2001-02 capital expenditures including support for local authority capital projects to be constructed in 2002-03.

SPENDING HIGHLIGHTS
(BY FUNCTIONAL AREA)

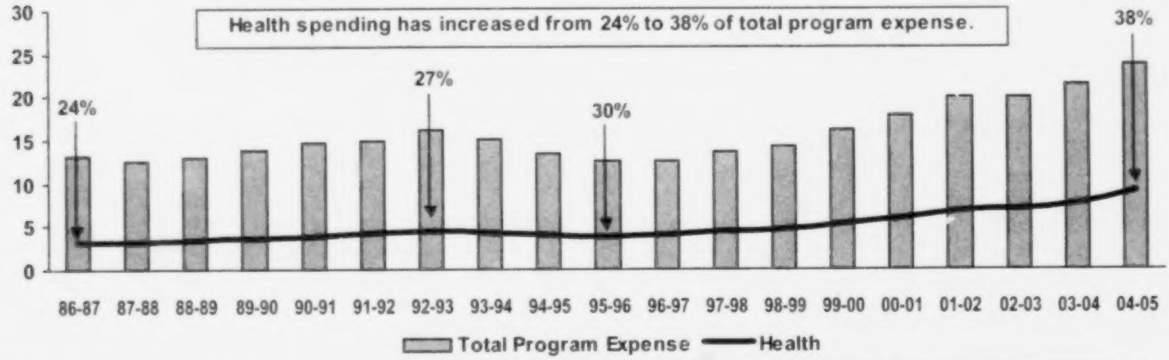
Health

- Health expense was $9.1 billion in 2004-05. This was an increase of 18.8%, or $1.4 billion, from 2003-04 and $664 million higher than budgeted.
- $6 billion was provided to health authorities for health services and health capital facilities and equipment. This was an increase of nearly $1.2 billion or 24% from 2003-04. This included:
  - $512 million increase for health services.
  - $93 million in one-time funding to address accumulated deficits.
  - $580 million increase in capital grants for health facilities, diagnostic and other equipment.
- Other areas of health spending increased by about 9% or $252 million to nearly $3.1 billion. This included increases for drug costs, provincial health programs, physician services and information technology.
- The increase from budget primarily reflected the Alberta Health Renewal Plan announced on June 30, 2004.
- **Major initiatives** included:
  - The $700 million Alberta Health Renewal Plan, which provided increased operating and capital funding for health authorities. This investment improved access to health services and reduced wait times.
  - Continued implementation of the Alberta Electronic Health Record, allowing health care providers to gain immediate access to a patient's records, resulting in faster, more accurate and safer patient care. Components of the Electronic Health Record have been deployed to all health authorities and about 950 physicians and 715 pharmacists.
  - Increased funding for health promotion programs including initiatives: to reduce barriers for diabetics in making healthy choices; to provide new treatment standards for osteoporosis; and to improve patient safety during childbirth.
  - Introduction of a new bursary program for rural practice and an expanded rural family medicine residence program. This will help attract more medical students and residents to rural practice.
  - Enhanced AADAC programs for problem gambling and alcohol abuse.
- **Capital Plan** included $863 million for health facilities and equipment, an increase of $580 million from 2003-04. This included $847 million in capital grants to health authorities and $16 million of capital investment in government-owned capital. Capital funding included support for:
  - Alberta Children's Hospital in Calgary and the Mazankowski Alberta Heart Institute in Edmonton.
  - Redeveloping and renovating capital facilities, including the Foothills, Rockyview and Peter Lougheed Hospitals in Calgary; the Royal Alexandra Hospital and four other hospitals in the Edmonton area; the Red Deer Regional Hospital; the Tom Baker Cancer Centre in Calgary and the Cross Cancer Institute in Edmonton.
  - Rural health infrastructure initiatives, including projects in Rimbey, Edson, Barrhead, Lethbridge, Medicine Hat and Red Deer.
  - 19 redevelopment projects, (through the Health Sustainability Initiative Fund) primarily in rural areas, focusing on facility conversions (e.g. from acute to long-term care), consolidating services, integrating mental health clinics and introducing new service delivery models.
- *Performance Measures*
  - 86% of Albertans surveyed rated the quality of health care they received as excellent or good.
  - 86% of Albertans surveyed rated their access to physician services as easy or very easy.

- 72% of Albertans surveyed rated their access to hospital services as easy or very easy.
- 96% of health facilities were rated as being in acceptable ("fair" or "good") physical condition.
- 89% of Albertans ages 18 to 64 surveyed rated their own personal health as either excellent, very good, or good.
- 78% of Albertans ages 65 years and older surveyed rated their own health as excellent, very good or good.

Comparison of Health and Total Program Expense

(billions of dollars)



Education

- Education expense was $6.4 billion in 2004-05. This was an increase of 9.1%, or $534 million, from 2003-04 and $30 million higher than budgeted.
- The increase from 2003-04 reflects higher basic and post-secondary operating grants, increased teacher pension costs and increased funding for capital projects.
- **Major initiatives** included:
  - Implementation of the accepted recommendations from Alberta's Commission on Learning, including:
    - $52 million in new funding to school boards to support the hiring of 1,250 teachers under the Class Size Initiative.
    - $27 million to fully implement a new funding framework for school boards. Under this framework, school boards have increased flexibility to address local priorities.
    - $6 million for video-conferencing for the basic education system.
  - A one-time injection of $13 million for the purchase of additional textbooks and other classroom resources.
  - An agreement with Microsoft Canada to provide students, educators and staff in Alberta's learning system with access to software programs.
  - Establishment of the Campus Alberta Quality Council to review proposals for all new degree programs to ensure the quality of Alberta's degree programs is maintained.
  - Introduction of legislation to establish an advanced education endowment, as part of the Heritage Savings Trust Fund.
  - Addition of 5,275 apprenticeship training spaces.
  - $40 million distributed in scholarships to about 26,000 students. The amount of money available for the Alexander Rutherford Scholarships was increased to address an increase in eligible applicants.

  - $89 million in student loans disbursed. Debt relief for first-year students was funded by the Student Loan Relief Benefit and for final-year students through the Loan Relief Completion Payment. These programs provided $38 million in student debt reduction in 2004-05.

- **Capital Plan** supported $453 million in education capital projects, an increase of 70% or $186 million from 2003-04. This included capital grants of $222 million for school projects and $231 million for post-secondary institutions. Initiatives included:
  - Schools – Seven new schools and five replacement schools were opened during 2004-05. This included the Trillium Centre in Sherwood Park. This multi-use facility accommodates both public and Catholic school students.
  - Post-secondary Institutions – Continued construction of the Health Research Innovation centres at the Universities of Alberta and Calgary; completion of the University of Alberta's Natural Resources Engineering Facility; and construction of the National Institute for Nanotechnology.

- *Performance Measures*
  - 78% of Alberta's grade 9 students met acceptable standards on provincial achievement tests in language arts.
  - 66% of Alberta's grade 9 students met acceptable standards on provincial achievement tests in mathematics.
  - 90% of Albertans ages 25-34 surveyed completed high school.
  - 57% of Albertans ages 25-34 surveyed completed post-secondary education.
  - 69% of adult Albertans surveyed were satisfied that they have access to lifelong learning.
  - 97% of schools and 88% of post-secondary institutions were estimated to be in acceptable ("fair" or "good") physical condition.

Social Services

- Social Services expense was $2.5 billion in 2004-05. This was an increase of 9.3%, or $210 million, from 2003-04 and $67 million higher than budgeted.

- The increase from the previous year reflected higher spending on children's services, persons with developmental disabilities, income supports and the Alberta Seniors Benefit.

- **Major initiatives** included:
  - Implementation of a long-term action plan to reduce family violence and bullying by establishing community incentive grants for coordinated strategies at the local level.
  - Proclamation of the *Child, Youth and Family Enhancement Act*, which supports the development and well-being of Alberta's children, youth and families, while keeping them safe and protected.
  - Proclamation of the *Family Support for Children with Disabilities Act*, which improves the support and services for families caring for children with disabilities. This is the first separate and distinct legislation in Canada specifically aimed at meeting the needs of children with disabilities and their families.
  - Establishment of twenty Parent Link Centres across the province. These centres provide parents and families with the supports they need to help their children develop and fulfill their potential.
  - Establishment of the Office for Disability Issues to provide stronger coordination of programs and policies for Albertans with disabilities.
  - Review of the Assured Income for the Severely Handicapped program (AISH). The review resulted in increased benefits in 2005-06.
  - Introduction of the Alberta Works program to harmonize benefits provided through the Supports for Independence program, Skills Development program living allowances and Widows' Pension.

  - Enhancements to the Alberta Seniors Benefit program including increased maximum monthly cash benefits, addition of approximately 17,000 eligible seniors to the program, and increased average cash benefits.
- *Performance Measures*
  - Survey results indicate that 85.9% of Alberta children ages 3 and under demonstrated healthy social development.
  - Survey results indicate that 85% of Alberta children ages 2-5 demonstrated healthy emotional development.
  - 85.8% of families/guardians of persons with developmental disabilities surveyed were satisfied with funded services.

Agriculture, Resource Management and Economic Development

- Agriculture, Resource Management and Economic Development expense was $1.9 billion in 2004-05. This was a decrease of 5.5% from 2003-04 and was primarily due to lower disaster assistance for BSE.
- Expense was $421 million higher than budgeted primarily due to BSE assistance provided in-year because of the extended U.S. border closure to live cattle.
- **Major initiatives** included:
  - $559 million in BSE disaster assistance to the agriculture sector for producer assistance, market development and research funding. This included $38 million for the establishment of the Alberta Prion Science Initiative to coordinate provincial prion research with national and international efforts. The disaster assistance was cost-shared with the federal government.
  - Launching the Energy Innovation Network (EnergyINet) to bring government researchers and industry leaders together to advance energy innovation.
  - The Alberta Science and Research Investments Program, which funded research initiatives across the province including:
    - An agriculture genomics centre at the University of Alberta to study genes and proteins that impact animals.
    - An innovative medical robot system at the University of Calgary to improve human-guided robot microsurgery techniques and test new surgical procedures.
- *Performance Measures*
  - 215,700 new jobs were created in Alberta over the past five years.
  - 30.5% of Alberta's Gross Domestic Product (GDP) was contributed by the province's manufacturing and knowledge intensive service industries (preliminary).
  - International value-added exports measured in current dollars increased by 17.8%.
  - Alberta had the highest business use of the Internet among the provinces.
  - Sponsored research at Alberta universities increased by 34.4%.
  - Oil sands production (crude bitumen) increased by 13%.

Transportation, Communications and Utilities

- Transportation, Communications and Utilities expense was $1.3 billion in 2004-05. This was an increase of 24.4%, or $249 million, from 2003-04 and $266 million higher than budgeted.
- The increase from 2003-04 primarily reflects increased rural and municipal capital transportation grants, and higher natural gas rebates. The increase from budget reflected the in-year funding for natural gas rebates.

- **Major initiatives** included:
    - Continued implementation of the new capital framework to provide more predictable funding on transportation and other infrastructure projects.
    - Increased funding provided to municipalities under the Alberta Cities Transportation Partnerships due to a rise in population and fuel deliveries.
    - A P3 Design, Build, Finance, Operate agreement was signed with Access Roads Edmonton Ltd. for the Edmonton Southeast Anthony Henday Drive. The road is to open in the fall of 2007.
    - Payment of $276 million in rebates to Albertans under the Natural Gas Rebate Program to help offset the increase in natural gas costs.
    - Implementation of the "Sign Up Alberta" program, to promote the Alberta Advantage and tourism, in co-operation with industry and government stakeholders.
    - Introduction of the new *Highway Development Protection Act*, which will replace the *Public Highway Development Act* and the *City Transportation Act* to modernize and consolidate the legislation.
- **Capital Plan** supported $950 million in transportation related capital projects. This included $509 million in capital grants and other infrastructure support reported in expense and $441 million in capital investment on the provincial highway network.
- *Performance Measures*
    - 88.8% of provincial highways were in acceptable ("fair" or "good") physical condition.
    - 99.5% of water management infrastructure was in acceptable ("fair", "good" or "excellent") physical condition.

Protection of Persons and Property

- Protection of Persons and Property expense was $958 million in 2004-05. This was an increase of 11.1%, or $96 million, from 2003-04 and $157 million more than budgeted.
- The increase from 2003-04 reflects increased support for policing, and assistance for flooding. This was partly offset by lower fire-fighting costs.
- **Major initiatives** included:
    - Enhancement of regulations under the new *Traffic Safety Act* to provide a framework for addressing safety issues and new initiatives aimed at improving driver behaviour and vehicle safety.
    - Continued refinement of programs and initiatives such as the Graduated Driver Licensing Program, Alberta Children and Youth Initiative, and the Child Traffic Safety Program, to increase safety for young drivers and future road users.
    - A new funding model for policing. The population threshold for municipalities that are no longer required to pay for policing was increased from 2,500 to 5,000. For municipalities required to pay for policing, a new $16 per capita policing grant was introduced.
    - Approval for a new courts facility in Calgary.
- *Performance Measures*
    - Violent and property crime rates remained the lowest among the four western provinces.
    - 87.6% of Albertans surveyed felt human rights in Alberta were very well or fairly well protected.
    - 77% of Albertans surveyed felt very safe or reasonably safe walking alone in their neighbourhoods at night.
    - Lowest workplace lost-time claim rate since 1991.

Other Program Expense

- Other program expense was $1.8 billion in 2004-05. This was a decrease of 2.4%, or $43 million, from 2003-04 and a decrease of $40 million from budget. The decreases reflected lower interest costs of the Alberta Capital Finance Authority and lower spending in other areas.
- **Major initiatives** included:
  - The conclusion of the Seniors' Lodge Upgrading Program which modernized and upgraded 120 lodges throughout the province to current standards.
  - $26 million in Alberta Centennial Legacy Grants provided for community-based projects, such as recreational and cultural facilities, heritage sites and museums.
  - Implementation of the *Albertans and Climate Change: Taking Action* initiative. This included the *ME first!* interest-free loan program to encourage energy efficiency and conservation in Alberta municipalities.
  - Construction of the Alberta SuperNet. When final quality testing is completed in 2005-06, SuperNet will directly connect approximately 4,200 hospitals, schools, libraries and government offices in 429 communities throughout the province.
  - Opening of an office in Washington, D.C., to advance the province's economic and policy interests.
- *Performance Measures*
  - 83.4% of adult Albertans surveyed participated in sport and recreational activities.
  - 87.2% of adult Albertans surveyed participated in arts and cultural activities.
  - River water and air quality remained high.
  - Greenhouse gas emissions intensity remained at 85% of 1990 levels.
  - 173 rural communities and 27 urban communities were able to access Alberta SuperNet.

Debt Servicing Costs

- Debt servicing costs were $302 million in 2004-05. This was $31 million higher than in 2003-04 but $61 million lower than estimated in the budget.
- The increase in debt servicing costs from the previous year was due to the significant appreciation of the Canadian dollar relative to the U.S. dollar in 2003-04. This reduced the value of debt held in U.S. dollars and resulted in a foreign exchange gain which partly offset interest expense in 2003-04. By March 31, 2004 most of the U.S. dollar debt was retired, minimizing foreign exchange gains in 2004-05.

Pension Provisions

- Pension obligations in respect of public sector pension plans increased by $176 million to $5.2 billion.
- Most of the increase was related to the Teachers' Pension Plan. The province's obligations for this plan increased by $169 million to $4,263 million.
- For the purposes of the *Fiscal Responsibility Act*, the annual change in pension obligations is excluded from expense and balanced budget requirements. These obligations are scheduled to be eliminated under a separate legislated plan.

REVENUE HIGHLIGHTS

Total Revenue

- Total revenue was $29.3 billion. This was $3.4 billion, or 13.3%, higher than in 2003-04, and $6.4 billion higher than budgeted.

- Higher non-renewable resource revenue and tax revenue were the main reasons for the increase from 2003-04. The increase from budget was largely due to higher non-renewable resource revenue and investment income.

Non-renewable Resource Revenue

- Non-renewable resource revenue reached $9.7 billion in 2004-05, the second highest level in Alberta's history. This was $2.1 billion higher than in 2003-04 and almost $5 billion higher than budgeted.

- Energy prices were significantly higher than estimated in the budget or expected by most energy forecasters.

- Natural gas prices averaged Cdn$6.38 per thousand cubic feet. This was 63 cents higher than in 2003-04 and $2.18 higher than budgeted.

- Oil prices averaged US$45.03 per barrel (WTI). This was $13.65 higher than in 2003-04 and $19.03 higher than the budget estimate.

- Energy prices reflected continuing high world oil demand, delays in the return of Iraqi production, strong economic growth in the United States and continuing concerns over North American natural gas supply. Partly offsetting the impact of higher energy prices was the strengthening Canadian dollar relative to the United States dollar.

Energy Prices

	2004-05		2003-04
	Budget	Actual	Actual
Oil Price (WTI US$/bbl)	26.00	45.03	31.38
Natural Gas Price (Cdn$/mcf)	4.20	6.38	5.75

Tax Revenue

- Tax revenue was $10.2 billion. This was an increase of $853 million, or 9.1%, from 2003-04 and $207 million higher than budgeted.

- Personal income tax revenue was $4.6 billion essentially unchanged from 2003-04 and a decrease of $436 million from the budget estimate. This reflected a negative adjustment to 2004-05 revenue due to the over-estimation of the previous years' tax revenue. The base increase in personal income tax revenue in 2004-05, before taking into account the negative adjustment, was about 5.4%.

Revenue
(millions of dollars)

				Change from	
	2004-05		2003-04		2003-04
	Budget	Actual	Actual	Budget	Actual
Personal income tax	5,085	4,649	4,613	(436)	36
Corporate income tax	1,957	2,364	1,696	407	668
Other taxes	2,929	3,165	3,016	236	149
Non-renewable resource revenue	4,784	9,744	7,676	4,960	2,068
Transfers from Government of Canada	2,971	3,219	2,926	248	293
Net income from commercial operations	1,869	2,020	1,882	151	138
Premiums, fees and licences	1,733	1,812	1,814	79	(2)
Net investment income	1,226	1,809	1,838	583	(29)
Other	398	546	426	148	120
Total Revenue	**22,952**	**29,328**	**25,887**	**6,376**	**3,441**

- Corporate income tax revenue was $2.4 billion. This was $668 million higher than in 2003-04 and $407 million higher than the budget estimate. The increases were due primarily to high energy prices and strong corporate profits.
- Other tax revenues were $3.2 billion. This was $149 million higher than in 2003-04 and $236 million higher than the budget estimate. The increases were mostly attributable to freehold mineral rights tax, insurance taxes, tobacco tax and fuel tax.

Transfers from Government of Canada

- Transfers from Government of Canada were $3.2 billion. This was $293 million higher than in 2003-04 and $248 million higher than the budget estimate. The increase from 2003-04 was primarily due to higher health transfers. The increase from budget primarily reflected higher transfers for BSE assistance.

Investment Income

- Investment income was $1.8 billion. This was essentially unchanged from 2003-04 but $583 million higher than budgeted. The increase from budget was primarily due to continued strong equity markets and larger fund balances in investment accounts.

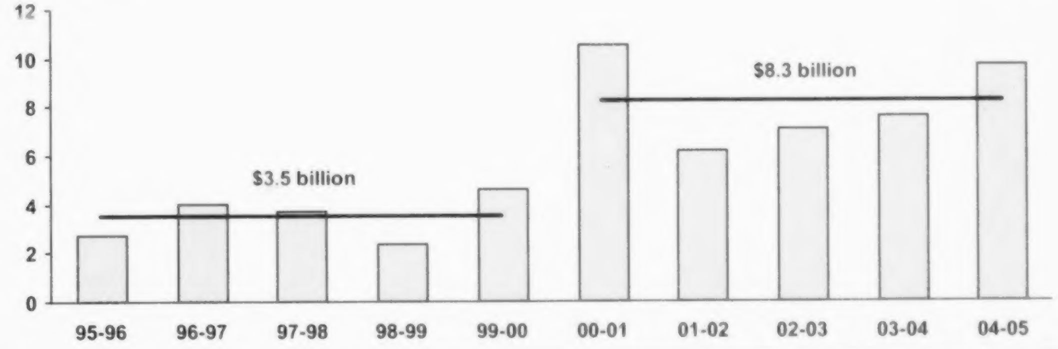
Other Revenue

- Revenue from all other sources was $4.4 billion. This was $256 million, or 6.2%, higher than 2003-04 and $378 million higher than estimated in the budget.
- The increases were primarily due to increased gaming and lottery revenue, land sales and refunds of expense.

Non-renewable Resource Revenue

1995-96 to 2004-05

(billions of dollars)



Energy Prices and Exchange Rates

1995-96 to 2004-05

	95-96	96-97	97-98	98-99	99-00	00-01	01-02	02-03	03-04	04-05
Oil Price (WTI US$/bbl)	18.66	22.84	18.93	13.70	23.16	30.20	24.13	29.04	31.38	45.03
Natural Gas Price (Cdn$/mcf)	1.39	1.77	1.86	1.98	2.66	6.08	3.94	4.98	5.75	6.38
Exchange Rate (US¢/Cdn$)	73.5	73.1	71.3	66.6	68.0	66.5	63.9	64.6	74.0	78.4

ALBERTA SUSTAINABILITY FUND

- The Sustainability Fund was established to protect spending from volatile revenue and the cost of emergencies and disasters.
- The Fund receives non-renewable resource revenue above the level available for budget purposes as set out in the *FRA* ($4 billion in 2004-05) and any additional year-end surpluses.
- Withdrawals are allowed to offset the costs of emergencies and disasters, natural gas rebates, First Nations settlements and revenue shortfalls. In 2004-05, $981 million was withdrawn to pay for the cost of BSE assistance, wildfires, flood assistance and natural gas rebates.
- Assets can be reallocated from the Fund, when they exceed $2.5 billion. In 2004-05, reallocations included:
    - $3.7 billion to the Debt Retirement Account. This was sufficient to repay the province's remaining accumulated debt as it matures.
    - $1.1 billion to the Capital Account to help pay for the cost of capital projects.
- After these withdrawals and reallocations, the Fund had assets of $3.5 billion at March 31, 2005. This does not include the $696 million transferred to the Fund after March 31 from the better than forecast fourth quarter results.
- In *Budget 2005*, the government reallocated $1 billion of the $3.5 billion Sustainability Fund assets available at March 31, 2005, to the Capital Account to help pay for capital projects in the *2005-08 Capital Plan*.
- A decision regarding the potential use of the $696 million from 2004-05 fourth quarter results will be made in 2005-06.
- Note: The amount to be transferred to the Sustainability Fund, based on fourth quarter results, is not determined until after March 31. As a result, the transfer is made in the following fiscal year. The amount transferred can be different from the fourth quarter improvement due to changes in net retained income of funds/agencies and other cash adjustments.

Alberta Sustainability Fund

At March 31, 2005

(millions of dollars)

	2004-05			2003-04
	Budget	3rd Quarter	Actual	Actual
Assets at start of year	2,500	2,500	2,500	-
Transfers to Sustainability Fund				
Non-renewable resource revenue	784	5,628	5,744	4,176
Other net transfers [a]	-	773	1,342	1,111
Total transfers to the Fund	784	6,401	7,086	5,287
Withdrawals from Sustainability Fund				
Disaster and emergency assistance	-	(820)	(705)	(797)
Natural Gas Rebate program	-	(314)	(276)	(214)
Withdrawals	-	(1,134)	(981)	(1,011)
Adjustments				
Cash from 2003-04 fourth quarter results [b]	-	510	510	-
2004-05 cash adjustments	568	85	(55)	520
Total adjustments	568	595	455	520
Assets prior to reallocation	**3,852**	**8,362**	**9,060**	**4,796**
Reallocation to:				
Debt Retirement Account	(726)	(3,730)	(3,730)	(893)
Capital Account	(626)	(1,136)	(1,136)	(893)
Sustainability Fund assets at March 31, 2005	**2,500**	**3,496**	**3,498**	**2,500**
Cash transferred after March 31 to Sustainability Fund [b]	**-**	**-**	**696**	**510**

[a] Includes higher than budgeted revenue (excluding non-renewable resource revenue) and savings from lower debt servicing costs.

[b] $510 million transferred to the Sustainability Fund in 2004-05 from the better-than-forecast 2003-04 fourth quarter results. $696 million transferred to the Sustainability Fund in 2005-06 from the better-than-forecast 2004-05 fourth quarter results.

ACCUMULATED DEBT

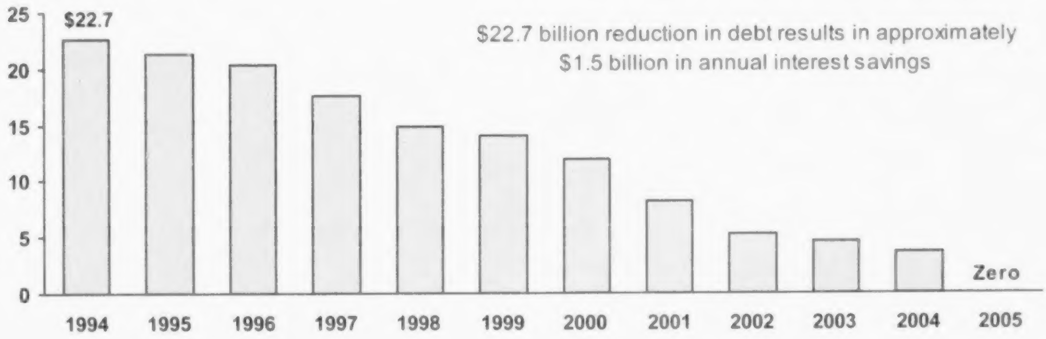
- In 2004-05, the government set aside sufficient financial assets to repay the province's remaining accumulated debt as it matures. These funds are locked-in by an amendment to the *FRA* so that they can only be used to repay accumulated debt.
- At March 31, 2005, the Debt Retirement Account had assets of $3.5 billion that will be used to repay the remaining $3.5 billion of unmatured accumulated debt. Nearly all of this accumulated debt will mature and be repaid from the Debt Retirement Account by 2013.
- Over the last decade, the government has allocated nearly $23 billion for repaying accumulated debt, thereby reducing its annual debt servicing costs by approximately $1.5 billion.
- Accumulated debt excludes the self-supported debt of the Alberta Capital Finance Authority and the Agriculture Financial Services Corporation, liabilities for government-owned capital incurred after April 1, 2003, and pension liabilities.

Accumulated Debt
(millions of dollars)

	2003-04	2004-05
Debt at start of year	6,746	4,971
Repayment of debt maturities	(1,775)	(1,496)
Debt at end of year	4,971	3,475
Less: Debt Retirement Account	(1,241)	(3,479)
Accumulated Debt	**3,730**	**(4)**[a]

[a] Based on actual year-end results at March 31, 2005, the assets in the Debt Retirement Account exceeded unmatured accumulated debt by $4 million.

Accumulated Debt[a]
at March 31
(billions of dollars)



a Accumulated debt less cash set aside for future debt repayment.

CAPITAL ACCOUNT

- The Capital Account was established to allow revenue to be carried forward, from one year to the next, to pay for capital projects. This allows for more predictable capital planning.
- In 2004-05, $1.6 billion was withdrawn from the Capital Account to help pay for the $2.8 billion in capital projects undertaken.
- $1.2 billion was used to help pay for capital projects of local authorities such as health authorities, schools, post-secondary institutions and municipalities, and $433 million was used for provincial government-owned capital.
- Offsetting this withdrawal was a $1.1 billion reallocation from the Sustainability Fund to the Capital Account in 2004-05. As a result, the net withdrawal from the Capital Account was $506 million in 2004-05.

Capital Account

(millions of dollars)

	2004-05		2003-04
	Budget	Actual	Actual
Assets start of year	1,180	1,180	910
Allocation to Capital Account	626	1,136	893
Withdrawals			
Local authorities capital	(741)	(1,209)	(416)
Government-owned capital	(347)	(433)	(207)
Assets end of year	**718**	**674**	**1,180**

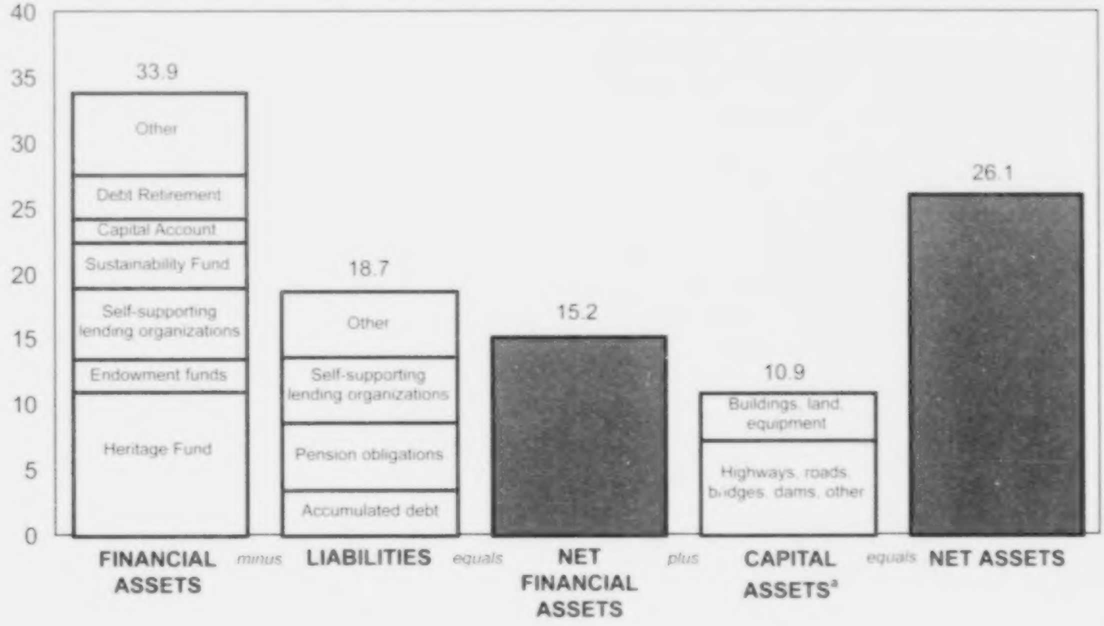
NET FINANCIAL AND CAPITAL ASSETS

- At March 31, 2005, the financial assets of the Government of Alberta exceeded its liabilities by $15.2 billion. In addition, the government had $10.9 billion in capital assets.
- There were nearly $33.9 billion in financial assets. This included financial assets of the Heritage Fund and endowment funds, self-supporting lending organizations (Alberta Capital Finance Authority and Agriculture Financial Services Corporation), Capital Account, Sustainability Fund, Debt Retirement Account, net financial assets of Alberta Treasury Branches, and accounts receivable and other assets.
- Partly offsetting these assets was $18.7 billion in liabilities. This included liabilities of self-supporting lending organizations, pension obligations, unmatured accumulated debt, and accounts payable and other liabilities.
- Liabilities of self-supporting lending organizations were fully offset by their financial assets. The unmatured accumulated debt was fully offset by assets in the Debt Retirement Account. Pension obligations are scheduled to be eliminated under a separate legislated plan.

Assets, Liabilities and Net Assets

At March 31, 2005

(billions of dollars)



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a Government-owned capital assets do not include the capital assets of health authorities, schools, post-secondary institutions or other local authorities.

Historical Fiscal Summary, 1986-87 to 2004-05[a]

(millions of dollars)

		A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S
		1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05
	INCOME STATEMENT																			
	Revenue																			
1	Personal income tax	1,768	2,236	2,039	2,536	2,796	3,057	2,794	2,877	3,063	3,177	3,445	3,877	4,601	5,100	3,943	4,183	4,834	4,613	4,649
2	Corporate income tax	396	595	697	700	803	731	637	854	1,073	1,332	1,407	1,849	1,659	1,255	2,023	2,229	2,019	1,696	2,364
3	School property tax	686	729	769	824	915	1,027	1,115	1,168	1,196	1,205	1,169	1,212	1,118	1,128	1,151	1,094	1,113	1,178	1,247
4	Other tax revenue	262	553	679	683	878	1,029	1,055	1,053	1,126	1,112	1,157	1,218	1,178	1,241	1,386	1,469	1,633	1,838	1,918
5	Resource revenue	1,892	2,626	2,085	2,240	2,688	2,022	2,183	2,817	3,378	2,786	4,034	3,778	2,368	4,650	10,586	6,227	7,130	7,676	9,744
6	Investment income	1,965	1,847	1,834	1,891	2,125	2,155	1,711	1,837	1,567	1,724	1,616	1,747	1,610	1,906	1,353	788	(462)	1,838	1,809
7	Other own-source revenue	959	1,407	1,662	2,022	1,615	1,566	2,319	2,710	2,832	2,431	2,473	2,890	2,950	3,183	3,272	3,672	4,321	4,122	4,378
8	Total own-source revenue	7,928	9,993	9,765	10,896	11,820	11,587	11,814	13,316	14,235	13,767	15,301	16,571	15,484	18,463	23,714	19,662	20,588	22,961	26,109
9	Federal transfers	1,689	1,912	2,135	1,943	2,365	2,150	2,457	2,090	1,929	1,748	1,351	1,183	1,335	1,640	1,813	2,264	2,074	2,926	3,219
10	Total Revenue	9,617	11,905	11,900	12,839	14,185	13,737	14,271	15,406	16,164	15,515	16,652	17,754	16,819	20,103	25,527	21,926	22,662	25,887	29,328
	Expense by Function[b]																			
11	Health	3,244	3,114	3,372	3,631	3,895	4,129	4,352	4,194	3,928	3,773	4,006	4,401	4,660	5,341	5,946	6,846	6,917	7,634	9,071
12	Basic / advanced education	3,114	3,118	3,227	3,379	3,532	3,676	3,904	4,036	3,756	3,713	3,738	4,081	4,241	4,735	5,040	6,099	5,461	5,850	6,384
13	Social services	1,270	1,329	1,434	1,502	1,567	1,746	1,889	1,721	1,495	1,456	1,511	1,564	1,560	1,668	1,790	1,942	2,108	2,265	2,475
14	Other program expense	5,725	5,137	5,077	5,328	5,741	5,501	6,031	5,172	4,301	3,739	3,446	3,727	3,885	4,612	5,200	5,184	5,567	5,731	5,921
15	Total program expense	13,353	12,698	13,110	13,840	14,735	15,052	16,176	15,123	13,480	12,681	12,701	13,773	14,346	16,356	17,976	20,071	20,053	21,480	23,851
16	Debt servicing costs	297	572	797	1,115	1,282	1,314	1,419	1,654	1,746	1,683	1,462	1,322	1,379	956	980	774	476	271	302
17	Total Expense	13,650	13,270	13,907	14,955	16,017	16,366	17,595	16,777	15,226	14,364	14,163	15,095	15,725	17,312	18,956	20,845	20,529	21,751	24,153
18	**Net Revenue (Spending)**	**(4,033)**	**(1,365)**	**(2,007)**	**(2,116)**	**(1,832)**	**(2,629)**	**(3,324)**	**(1,371)**	**938**	**1,151**	**2,489**	**2,659**	**1,094**	**2,791**	**6,571**	**1,081**	**2,133**	**4,136**	**5,175**
	BALANCE SHEET																			
19	Net financial assets (debt)[c]	7,784	6,419	4,412	2,296	464	(2,165)	(7,054)	(8,313)	(7,355)	(6,255)	(3,728)	(1,089)	(63)	2,654	9,042	9,814	11,696	15,607	20,395
20	Capital assets[d]	N/A	N/A	N/A	N/A	N/A	N/A	N/A	8,220	7,669	7,411	7,292	7,215	7,218	7,259	8,002	10,141	10,309	10,534	10,921
21	Pension obligations	(6,625)	(7,946)	(8,004)	(8,243)	(6,156)	(5,774)	(4,770)	(5,066)	(5,352)	(5,352)	(4,981)	(4,890)	(4,813)	(4,728)	(4,742)	(4,771)	(4,927)	(5,059)	(5,235)
22	**Net Assets (Debt)**[c]	N/A	N/A	N/A	N/A	N/A	N/A	N/A	(5,159)	(5,038)	(4,196)	(1,417)	1,236	2,342	5,185	12,302	15,184	17,078	21,082	26,081
23	**Accumulated Debt**[e]	10,091	11,105	13,069	15,527	16,647	17,406	20,305	22,701	21,451	20,531	17,733	14,976	14,106	12,020	8,195	5,261	4,736	3,730	—

[a] Numbers have been restated on 2004-05 basis where possible. Numbers for 2001-02 forward are fully comparable. For the period 1992-93 to 2000-01 numbers are essentially comparable to the 2004-05 presentation with exception of the treatment of disposal of capital assets (in most years variance of less than $100 million). Prior to 1992-93, spending is on an expenditure basis, using actual capital investment rather than capital amortization costs.

[b] Expense does not include the change in pension obligations. Beginning in 1996-97, valuation adjustments have been allocated by function. In prior years, all valuation adjustments were included in other program expense.

[c] Does not include pension obligations. Net debt was increased by $1,474 million in 1992-93 primarily for a provision for school construction debt, reduced by $125 million in 1993-94 to record personal income tax and established programs financing entitlements on an accrual basis, and increased by $32 million in 1995-96 to report some other revenues on accrual basis.

[d] Includes tangible capital assets and inventories of supply. Information not available prior to 1992-93. In 1994-95, includes the disposal of $449 million in capital assets, (primarily transfer of secondary highways to municipalities). In 2001-02, includes $1.8 billion transfer of provincial secondary highway system from municipalities to the Province.

[e] Net of cash set aside for future debt repayments. In 2001-02, the amount of $5,261 million includes commitment of $414 million to debt retirement based on a higher-than-expected year end cushion. This amount was transferred in 2002-03 from other assets.

Consolidated Financial Statements

BUDGET
2004 ON ROUTE
ON COURSE

Heading Toward
Alberta's Second
Century

Government of Alberta
Annual Report 2004-05

Consolidated Financial Statements of the Province of Alberta

Year ended March 31, 2005

INTRODUCTION

The financial statements in this annual report of the Government of Alberta are consolidations of ministry consolidated financial statements, which themselves are consolidations of the financial statements of departments, regulated funds, Provincial agencies and Crown-controlled corporations, for which separate financial statements are presented in ministry annual reports. A listing of these organizations is provided in Schedule 16 to the financial statements.

The method of consolidation is described in the Accounting Policies note that forms part of the financial statements.

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

Responsibility for the integrity and objectivity of the consolidated financial statements of the Province of Alberta rests with the government. The consolidated financial statements are prepared by the Controller under the general direction of the Deputy Minister of Finance, as authorized by the Minister of Finance pursuant to the *Financial Administration Act*. The consolidated financial statements are prepared in accordance with the government's stated accounting policies, and of necessity include some amounts that are based on estimates and judgements. As required by the *Government Accountability Act*, the consolidated financial statements are included in the consolidated annual report of the Government of Alberta that forms part of the Public Accounts.

To fulfill its accounting and reporting responsibilities, the government maintains systems of financial management and internal control which give consideration to costs, benefits and risks, and which are designed to:

- provide reasonable assurance that transactions are properly authorized, executed in accordance with prescribed legislation and regulations, and properly recorded so as to maintain accountability for public money, and
- safeguard the assets and properties of the Province of Alberta under government administration.

Under the *Financial Administration Act*, deputy heads are responsible for the collection of revenue payable to the Crown, and for making and controlling disbursements with respect to their departments. They are also responsible for prescribing the accounting systems to be used in their departments. In order to meet government accounting and reporting requirements, the Controller obtains information relating to departments, regulated funds, Provincial agencies and Crown-controlled corporations from ministries as necessary.

The consolidated financial statements are reviewed by the Audit Committee established under the *Auditor General Act*. Under the *Fiscal Responsibility Act*, the Audit Committee must report publicly to the Executive Council on the progress made in eliminating the accumulated debt. The Audit Committee advises the Lieutenant Governor in Council on the scope and results of the Auditor General's audit of the consolidated financial statements of the Province.

The Auditor General of Alberta provides an independent opinion on the consolidated financial statements prepared by the government. The duties of the Auditor General in that respect are contained in the *Auditor General Act*.

Annually, the consolidated annual report is tabled in the Legislature as a part of the Public Accounts and is referred to the Standing Committee on Public Accounts of the Legislative Assembly.

Approved on behalf of the Finance Department:

Brian Manning
Deputy Minister of Finance

Tim Wiles, CA
Controller

Edmonton, Alberta
June 21, 2005

AUDITOR
GENERAL
Alberta

AUDITOR'S REPORT

To the Members of the Legislative Assembly

I have audited the consolidated statement of financial position of the Province of Alberta as at March 31, 2005 and the consolidated statements of operations, change in net financial assets and cash flows for the year then ended. These financial statements are the responsibility of the Government of Alberta and are prepared on its behalf by Finance Department management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Province of Alberta as at March 31, 2005 and the results of its operations, change in its net financial assets and its cash flows for the year then ended in accordance with the disclosed basis of accounting as described in Note 1 to the consolidated financial statements.

Fred J Dunn FCA
Auditor General

Edmonton, Alberta
June 8, 2005

Consolidated Statement of Operations

YEAR ENDED MARCH 31, 2005

	2005		2004
	Budget (Note 4)	Actual	Actual
		In millions	
Revenues (Schedule 1)			
Income taxes	$ 7,042	$ 7,013	$ 6,309
Other taxes	2,929	3,165	3,016
Non-renewable resource revenue	4,784	9,744	7,676
Transfers from Government of Canada	2,971	3,219	2,926
Net income from commercial operations	1,869	2,020	1,882
Premiums, fees and licences	1,733	1,812	1,814
Net investment income	1,226	1,809	1,838
Other	398	546	426
	22,952	29,328	25,887
Expenses by function (Schedules 2 and 3)			
Health	8,407	9,071	7,634
Education	6,354	6,384	5,850
Social services	2,408	2,475	2,265
Agriculture, resource management and economic development	1,516	1,937	2,049
Transportation, communications and utilities	1,003	1,269	1,020
Protection of persons and property	801	958	862
Regional planning and development	428	421	446
Recreation and culture	307	294	273
Environment	161	172	164
Housing	149	150	158
General government	752	720	759
Debt servicing costs	363	302	271
Pension provisions	119	176	132
	22,768	24,329	21,883
Excess of revenues over expenses for the year	184	4,999	4,004
Net assets at beginning of year	20,368	21,082	17,078
Net assets at end of year	$ 20,552	$ 26,081	$ 21,082

The accompanying notes and schedules are part of these financial statements.

Consolidated Statement of Financial Position

AS AT MARCH 31, 2005

	2005	2004
	In millions	
Financial assets		
Cash and temporary investments (Schedule 5)	$ 4,408	$ 2,973
Accounts and accrued interest receivable	3,545	2,907
Portfolio investments (Schedule 6)	18,995	16,852
Equity in commercial enterprises (Schedule 7)	1,544	1,319
Loans and advances (Schedule 8)	5,319	5,185
Inventories for resale (Schedule 9)	36	29
	33,847	29,265
Liabilities		
Accounts and accrued interest payable	4,741	3,638
Unmatured debt (Note 5) (Schedule 10)	3,802	5,228
Debt of Alberta Capital Finance Authority (Schedule 11)	4,267	4,070
Pension obligations (Schedule 12)	5,235	5,059
Other accrued liabilities (Schedule 13)	642	722
	18,687	18,717
Net financial assets	15,160	10,548
Non-financial assets		
Tangible capital assets (Schedule 14)	10,897	10,512
Inventories of supplies	24	22
	10,921	10,534
Net assets (Note 4)	$ 26,081	$ 21,082

The accompanying notes and schedules are part of these financial statements.

Consolidated Statement of Change in Net Financial Assets

YEAR ENDED MARCH 31, 2005

	2005	2004
	In millions	
Excess of revenues over expenses for the year	$ 4,999	$ 4,004
Acquisition of tangible capital assets and supplies inventory	(828)	(633)
Amortization of tangible capital assets and consumption of supplies inventory	412	389
Net gain on disposal and write-down of tangible capital assets	(14)	(7)
Proceeds on sale of tangible capital assets	43	26
Increase in net financial assets	4,612	3,779
Net financial assets at beginning of year	10,548	6,769
Net financial assets at end of year	$ 15,160	$ 10,548

The accompanying notes and schedules are part of these financial statements.

Consolidated Statement of Cash Flows

YEAR ENDED MARCH 31, 2005

	2005	2004
	In millions	
Operating transactions		
Excess of revenues over expenses for the year	$ 4,999	$ 4,004
Non-cash items	296	71
	5,295	4,075
(Increase) Decrease in receivables	(638)	502
Increase in payables	1,103	226
Other	(91)	(125)
Cash provided by operating transactions	5,669	4,678
Capital transactions		
Acquisition of tangible capital assets and supplies inventory	(828)	(633)
Proceeds on sale of tangible capital assets	43	26
Cash applied to capital transactions	(785)	(607)
Investing transactions		
Purchase of portfolio investments	(8,576)	(9,119)
Disposals of portfolio investments	6,619	7,655
Loans and advances made	(825)	(810)
Repayment of loans and advances	645	717
Cash applied to investing transactions	(2,137)	(1,557)
Financing transactions		
Debt retirement	(7,221)	(15,205)
Debt issues	5,909	13,953
Cash applied to financing transactions	(1,312)	(1,252)
Increase in cash and temporary investments	1,435	1,262
Cash and temporary investments at beginning of year	2,973	1,711
Cash and temporary investments at end of year	$ 4,408	$ 2,973

The accompanying notes and schedules are part of these financial statements.

Notes to the 2004-05 Consolidated Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES

The recommendations of the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants are the primary source for the disclosed basis of accounting. These financial statements are prepared in accordance with the following accounting policies.

A) REPORTING ENTITY

These financial statements include the accounts of the Offices of the Legislative Assembly and all government entities including departments, the Alberta Heritage Savings Trust Fund, and other regulated funds, Provincial agencies and Crown-controlled corporations. A listing of these organizations is provided in Schedule 16. Accountable organizations such as universities, public colleges, technical institutes, regional health authorities and school boards are not included in the consolidated financial statements.

The Public Sector Accounting Board has released new guidance that controlled entities are to be included and how they are to be included effective April 1, 2005. This may affect how the Province reports accountable organizations such as universities, public colleges, technical institutes, regional health authorities and school boards depending on the results of the current review being conducted to determine whether control exists. The government has agreed in principle to include the financial statements of these entities commencing from fiscal year beginning April 1, 2006, if it is determined that control exists.

B) METHOD OF CONSOLIDATION

The accounts of the Offices of the Legislative Assembly, departments, regulated funds and Provincial agencies, except those designated as commercial enterprises, are consolidated. Revenue and expense transactions, capital, investing and financing transactions, and related asset and liability accounts between consolidated entities have been eliminated.

The accounts of Crown-controlled corporations and Provincial agencies designated as commercial enterprises are reported on the modified equity basis, the equity being computed in accordance with Canadian generally accepted accounting principles.

The year end of some Provincial agencies is other than March 31. Transactions of these agencies that have occurred during the period to March 31, 2005 and that significantly affect the consolidation have been recorded.

C) BASIS OF FINANCIAL REPORTING

Revenues

All revenues are reported on the accrual basis of accounting. Cash received for which goods or services have not been provided by year end is recorded as unearned revenue and included in accounts payable.

Non-renewable resource revenue are reported based on estimated royalties on oil and gas produced during the year.

Transfers from Government of Canada are recognized as revenues when authorized by federal legislation or federal/provincial agreements, eligibility criteria if any are met, and a reasonable estimate of the amounts can be made. Payments received in excess of the estimated amounts applicable to the fiscal year are included in accounts payable.

Expenses

Expenses represent the cost of resources consumed during the year on government operations. Expenses include provisions for amortization of acquired tangible capital assets and expenses incurred in accordance with the terms of approved grant programs, including grants for capital purposes. Grants are recognized as expenses when authorized, eligibility criteria if any are met, and a reasonable estimate of the amounts can be made.

Pension costs comprise the cost of pension benefits earned by employees during the year, interest on the Province's share of the unfunded pension liability, and the amortization over the expected average remaining service life of employees of deferred adjustments arising from experience gains and losses and changes in actuarial assumptions. Schedule 12 provides additional information on the amortization policy relating to pensions. In the Consolidated Statement of Operations, pension costs which are funded are included in expenses by function and costs which have not been funded are recorded as pension provisions.

Costs arising from obligations under guarantees and indemnities are recorded as expenses when management determines that the Province will likely be called upon to make payment. The expense represents management's estimate of future payments less recoveries.

The estimated increase or decrease for the year in accrued employee vacation entitlements is also recorded in the appropriate expense function.

Financial Assets

Financial assets are limited to financial claims on external organizations and individuals and inventories for resale at the year end.

Temporary investments are valued at cost or fair value, whichever is lower, on an aggregate basis.

Portfolio investments, which are investments to provide income for the long term, are carried at cost. Realized gains and losses on disposals of these investments are included in the determination of excess of revenues over expenses for the year. Where there has been a loss in value of an investment that is other than a temporary decline, the investment is written down to recognize the loss. The written down value is deemed to be the new cost.

Loans are recorded at cost less any discounts and allowance for credit loss.

Inventories for resale representing the Province's share of royalty oil in feeder and trunk pipelines are stated at net realizable value. Other inventories for resale are valued at the lower of cost, determined on a first-in, first-out basis, and estimated net realizable value.

Liabilities

Liabilities include all financial claims payable by the Province at the year end.

NOTE 1 (continued)

Debentures included in unmatured debt are recorded at the face amount of the issue less net unamortized discount, which includes issue expenses and hedging costs.

Income or expense on interest rate swaps and forward interest rate agreements used to manage interest rate exposure is recorded as an adjustment to debt servicing costs. The exchange gain or loss on the foreign exchange contracts used to manage currency exposure is deferred and amortized over the life of the contract.

Liabilities also include the following:

- estimates of the present value of the Province's obligations for future pension contributions and/or benefits under defined benefit pension plans for current and former provincial and other public sector employees, and certain current and former Members of the Legislative Assembly, including deferred adjustments,
- the Province's obligation to provide future funding to school boards to enable them to repay the principal portion of their debentures to the Alberta Capital Finance Authority, and
- accrued employee vacation entitlements.

Non-financial Assets

Non-financial assets are limited to tangible capital assets and inventories of supplies.

Tangible capital assets of commercial enterprises are included in the Consolidated Statement of Financial Position within equity in commercial enterprises. Other tangible capital assets are included in non-financial assets on the Consolidated Statement of Financial Position.

Tangible capital assets on the Consolidated Statement of Financial Position are restricted to capital assets the Province acquired for cash or for other assets, and donated assets. Tangible capital assets acquired by right, such as Crown lands, forests, water and mineral resources, are not included.

Amortization of tangible capital assets is calculated on a straight line basis over the periods expected to benefit from their use (see Schedule 14), and the annual amortization is included in the expenses reported in the Consolidated Statement of Operations. The annual amortization of the costs of tangible capital assets is allocated to the functions of the government that employ those assets.

Inventories of supplies are valued at the lower of cost, determined on a first-in, first-out basis, and replacement cost.

Derivative Contracts

Income and expense from derivative contracts are included in investment income or expenses by function. Certain derivative contracts, which are primarily interest rate swaps and cross-currency interest rate swaps, are designated as hedges of market risks for purposes of hedge accounting. Hedge accounting recognizes gains and losses from derivatives in the same period as the gains and losses of the specific assets and liabilities being hedged.

Derivative contracts not designated as hedges for purposes of hedge accounting, which are primarily bond index swaps, equity index swaps, equity index futures contracts and forward foreign exchange contracts, are recorded at fair value.

The estimated amount receivable and payable from derivative contracts are included in accrued interest receivable and payable respectively.

Foreign Currency

Assets and liabilities denominated in foreign currency are translated at the year end rate of exchange.

Foreign currency transactions are translated into Canadian dollars using average rates of exchange, except for hedged foreign currency transactions which are translated at rates of exchange established by the terms of the forward exchange contracts.

Amortization of deferred exchange gains and losses and other exchange differences on unhedged transactions are included in the determination of excess of revenues over expenses for the year.

Measurement Uncertainty

Estimates are used in accruing revenues and expenses in circumstances where the actual accrued revenues and expenses are unknown at the time the financial statements are prepared. Uncertainty in the determination of the amount at which an item is recognized in financial statements is known as measurement uncertainty. Such uncertainty exists when there is a variance between the recognized amount and another reasonably possible amount, as there is whenever estimates are used.

Measurement uncertainty that is material to these financial statements exists in the accrual of personal, corporate income taxes, Health Transfers and Canada Social Transfer entitlements, royalties derived from non-renewable resources, farm safety-net payments under the Canadian Agricultural Income Stabilization (CAIS) Program and corresponding contributions from the Government of Canada, and provisions for pensions and loans and advances. The nature of the uncertainty in these items arises from several factors such as the effect on accrued taxes of the verification of taxable income, the effect on accrued royalties of the receipt of revised production data and reassessments, the effect of CAIS being a relatively new program with little historical experience, the effect on accrued pension obligations of actual experience compared to assumptions, and the effect on loans and advances of actual collectibility and changes in economic conditions.

Personal income tax, recorded as $4,649 million (2004 $4,613 million) in these consolidated financial statements, is subject to measurement uncertainty due primarily to the use of economic estimates of personal income growth. Use of this information in the past has resulted in a number that differs from final results by a geometric average of plus or minus $200 million over the last four years.

While best estimates have been used for reporting items subject to measurement uncertainty, management considers that it is possible, based on existing knowledge, that changes in future conditions in the near term could require a material change in the recognized amounts. Near term is defined as a period of time not to exceed one year from the date of the financial statements.

NOTE 2 VALUATION OF FINANCIAL ASSETS AND LIABILITIES

Fair value is the amount of consideration agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act.

Due to their short term nature, the fair values of cash and cash equivalents, accrued interest, receivables, payables and accrued liabilities are estimated to approximate their book values. Fair values of some of the loans and advances are not reported due to there being no organized financial market for the instruments and it is not practicable within constraints of timeliness or cost to estimate the fair values with sufficient reliability.

NOTE 2 (continued)

The fair value of unmatured debt and debt of Alberta Capital Finance Authority is an approximation of its fair value to the holder.

The methods used to determine the fair values of temporary investments and portfolio investments are as follows:

Public fixed-income securities and equities are valued at the year-end closing sale price, or the average of the latest bid and ask prices quoted by an independent securities valuation company.

Mortgages and certain non-public provincial debentures are valued based on the net present value of future cash flows. These cash flows are discounted using appropriate interest rate premiums over similar Government of Canada benchmark bonds trading in the market.

The fair value of alternative investments including absolute return strategy investments, investments in private investment funds, private equities and securities with limited marketability is estimated using methods such as cost, discounted cash flows, earnings multiples, prevailing market values for instruments with similar characteristics and other pricing models as appropriate and may not reflect amounts that could be realized upon immediate sale, nor amounts that may ultimately be realized. Accordingly, the estimated fair values may differ significantly from the values that would have been used had a ready market existed for these investments.

Real estate investments are reported at their most recent appraised value, net of any liabilities against the real property. Real estate properties are appraised annually by qualified external real estate appraisers using methods such as cost, discounted cash flows, earnings multiples, prevailing market values for properties with similar characteristics and other pricing models as appropriate.

The value of derivative contracts is determined by the following methods. Equity and bond index swaps are valued based on changes in the appropriate market based index net of accrued floating rate interest. Interest rate swaps and cross-currency interest rate swaps are valued based on discounted cash flows using current market yields and exchange rates. Credit default swaps are valued based on discounted cash flows using current market yields and calculated default probabilities. Forward foreign exchange contracts and equity index futures contracts are valued based on quoted market prices.

At the year end, the fair value of investments and any other assets and liabilities denominated in a foreign currency are translated to Canadian dollars at the year end exchange rate.

NOTE 3 RISK MANAGEMENT

A) LIABILITY MANAGEMENT

The objective of the Province's liability management program is to achieve the lowest cost on debt within an acceptable degree of variability of debt servicing costs. In order to achieve this objective, the Province manages four financial risks: interest rate risk, currency exchange risk, credit risk, and refinancing risk. The Province manages these four risks within approved policy guidelines. The management of these risks and the policy guidelines apply to the Province's direct debt, excluding debt raised to fund requirements of provincial corporations and regulated funds. Debt of provincial corporations and regulated funds is managed separately in relation to their assets.

The Province has decided, in light of the current debt reduction environment, that the most effective liability risk management strategy is to allow existing debt instruments to mature in accordance with their terms.

NOTE 3 (continued)

B) ASSET MANAGEMENT

The majority of the Province's portfolio investments are in the Alberta Heritage Savings Trust Fund (Heritage Fund). The investment objective is to invest in a diversified portfolio to maximize long-term returns at an acceptable level of risk. The policy asset mix for fixed income securities is 35%. The policy mix for public equity investment is 46%. The remainder of the portfolio is invested in real estate, private equities and absolute return strategies.

The General Revenue Fund also holds substantial amounts of the Province's portfolio investments. General Revenue Fund portfolio investments are used to repay debt as it matures, to provide funding for the capital plan, and to help protect operating and capital spending from short term declines in revenue and the costs of emergencies, disasters, natural gas rebates and settlements with First Nations. The investment objective is to preserve the value of the investments while maintaining appropriate liquidity and earning a fair or reasonable rate of return.

The investments in the Alberta Heritage Foundation for Medical Research Endowment Fund, the Alberta Heritage Science and Engineering Research Endowment Fund and the Alberta Heritage Scholarship Fund are managed to preserve the capital of the funds over the long term and to provide an annual level of income to intermediary boards responsible for making grants to researchers in the fields of medicine, science and engineering, and to students.

NOTE 4 BUDGET

The budget amounts were derived from Budget 2004 tabled in the Legislature on March 24, 2004. The following table compares the Province's net financial position with the March 31, 2005 estimate provided in Budget 2004. The table uses the same grouping of financial assets and liabilities as the budget.

	2005		2004
	Estimate	Actual	Actual
		In millions	
Financial assets			
Heritage Fund external investments	$ 11,273	$ 11,274	$ 11,267
Self-supporting lending organizations [a]	5,414	6,037	5,597
Alberta Sustainability Fund [b]	2,500	3,498	2,500
Debt Retirement Account (Note 5)	478	3,479	1,241
Endowment funds [c]	1,551	1,658	1,622
Capital Account [d]	718	674	1,180
Other financial assets	4,016	7,227	5,858
	25,950	33,847	29,265
Liabilities			
Pension obligations	5,166	5,235	5,059
Self-supporting lending organizations [a]	4,337	4,928	4,556
Accumulated debt (Note 5)	3,466	3,475	4,971
Liabilities for government-owned capital	151	8	-
Accounts and interest payable and other liabilities	3,150	5,041	4,131
	16,270	18,687	18,717
Net financial assets for financial statement purposes	9,680	15,160	10,548
Tangible capital assets and inventory of supplies	10,872	10,921	10,534
Net assets for financial statement purposes	20,552	26,081	21,082
Pension obligations	5,166	5,235	5,059
Net assets for fiscal policy purposes	$ 25,718	$ 31,316	$ 26,141

NOTE 4 (continued)

(a) Alberta Capital Finance Authority and Agriculture Financial Services Corporation.

(b) The Alberta Sustainability Fund was established to help protect operating and capital spending from short term declines in revenue and the costs of emergencies, disasters, natural gas rebates and settlements with First Nations.

(c) Alberta Heritage Foundation for Medical Research Endowment Fund, Alberta Heritage Science and Engineering Research Endowment Fund and Alberta Heritage Scholarship Fund.

(d) The Capital Account was established to provide funding for the capital plan. Under the Province's fiscal framework, funds can be deposited into the Capital Account in one year to pay for capital projects in the following years.

NOTE 5 FISCAL RESPONSIBILITY LEGISLATION

Since 1999, the Fiscal Responsibility Act (the Act) has required that the Province not incur a deficit, as defined under the Act, in any fiscal year and that accumulated debt be eliminated according to a defined schedule. During 2004-05, the Province complied with the Act.

ACCUMULATED DEBT

Under the Act, accumulated debt, as defined, must be no greater than $6,245 million by the end of 2004-05 fiscal year and must be eliminated by March 31, 2025.

The table below shows the progress made in eliminating accumulated debt during 2004-2005.

	2005	2004
	In millions	
Unmatured debt (Schedule 10)	$ 3,802	$ 5,228
Funding obligation for school board debentures (Schedule 13)	451	526
Adjustments to conform to statutory definition		
Borrowings for provincial corporations	(900)	(912)
Other	122	129
Accumulated debt at end of year	$ 3,475	$ 4,971

In addition, Note 4 shows that funds amounting to $3,479 million (2004 $1,241 million), at cost, have been set aside in the Debt Retirement Account to retire accumulated debt that has not yet matured.

	2005		2004
	Estimate	Actual	Actual
		In millions	
Accumulated debt at end of year	$ 3,466	$ 3,475	$ 4,971
Funds available for debt repayment	478	3,479	1,241
Accumulated debt less funds set aside	$ 2,988	$ (4)	$ 3,730

Subsequent to the year end, the Act has been amended to require the financial assets in the Debt Retirement Account must be equal to or greater than the amount of the accumulated debt at the fiscal year end in 2005-06 and subsequent fiscal years.

NOTE 6 CONTRACTUAL OBLIGATIONS

	2005	2004
	In millions	
Obligations under long-term leases, contracts and programs	$ 8,529	$ 8,301
Loans and advances approved	46	44
	$ 8,575	$ 8,345

Estimated payment requirements for each of the next five years and thereafter are as follows:

	In millions
2005-06	$ 3,971
2006-07	1,342
2007-08	755
2008-09	427
2009-10	287
Thereafter	1,747
	$ 8,529

The government has various commitments relating to the devolution of services or disposition of assets to the private sector. Those commitments include the performance of duties and obligations if the private sector organization fails to meet them.

NOTE 7 CONTINGENT LIABILITIES

Set out below are details of contingent liabilities resulting from guarantees, indemnities and litigation, other than those reported as liabilities and shown in Schedule 13. Any losses arising from the settlement of contingent liabilities are treated as current year expenses.

A) INDEMNITIES AND GUARANTEES

Guarantees amounting to $153 million (2004 $190 million) are analyzed in Schedule 15.

B) CONTINGENT LIABILITIES OF COMMERCIAL ENTERPRISES

The Credit Union Deposit Guarantee Corporation has a potential liability under guarantees relating to deposits of credit unions. At December 31, 2004 credit unions in Alberta held deposits totalling $9.0 billion (2003 $8.2 billion) and had assets in excess of deposits.

At March 31, 2005, Alberta Treasury Branches had a potential liability under guarantees and letters of credit amounting to $133 million (2004 $108 million).

N.A. Properties (1994) Ltd. has provided guarantees of principal and interest on mortgages sold to a chartered bank. The principal and interest on these mortgages totalled $2 million at March 31, 2005 (2004 $2 million).

C) LEGAL ACTIONS

At March 31, 2005, the Province was involved in various legal actions, the outcome of which is not determinable. Accruals have been made in specific instances where it is probable that losses will be incurred which can be reasonably estimated. The resulting loss, if any, from claims in excess of the amounts accrued cannot be determined.

The Province has a contingent liability in respect of 34 claims (2004 39) concerning aboriginal rights, Indian title and treaty rights. In most cases, these claims have been filed jointly and severally against the Province of Alberta and the Government of Canada, and in some cases involve third parties. Of these claims, 21 (2004 24) have specified amounts totalling $125.2 billion (2004 $129.5 billion) plus a provision for interest and other costs that is not calculable. The other 13 claims (2004 15) have not specified any amounts.

NOTE 7 (continued)

Further, the Province was named as defendant in various other legal actions in addition to those noted above. The total claimed in specific legal actions amounts to approximately $7.3 billion (2004 $3.6 billion).

NOTE 8 TRUST FUNDS UNDER ADMINISTRATION

Trust funds under administration are regulated and other funds consisting of public money over which the Legislature has no power of appropriation. Because the Province has no equity in the funds and administers them for the purposes of various trusts, they are not included in the consolidated financial statements.

At March 31, 2005, trust funds under administration were as follows:

	2005	2004
	In millions	
Public Sector Pension Plan Funds	$ 20,531	$ 18,847
Teachers' Pension Plan Funds	3,161	2,876
The Workers' Compensation Board Accident Fund	2,607	2,329
Regional Health Authorities and various health institutions construction accounts	915	396
Public Trustee	482	475
Special Areas Trust Account	72	72
Various Court Offices and Fines Distribution Trust	62	46
Power Pool of Alberta Balancing Pool	33	116
Miscellaneous trust funds	184	139
	$ 28,047	$ 25,296

NOTE 9 DEFINED BENEFIT PLANS

A) PENSION PLANS

The government administers three contributory defined benefit pension plans for its current employees: the Public Service Pension Plan, Management Employees Pension Plan and Supplementary Retirement Plan for Public Service Managers. Pension costs for these plans, which were funded during 2004-05 and included in expenses by function in these financial statements, amounted to $113 million (2004 $99 million).

Benefits paid from these plans are based on length of service and pensionable earnings. The average age of the approximately 44,200 active employees is 44. In addition, there are approximately 10,000 former employees who are entitled to refunds of contributions with interest or pension benefits when all of the eligibility requirements are met. At present, these plans provide benefits for approximately 19,500 retirees. Benefit payments were $243 million in 2004-05 (2004 $227 million). Total contributions were $287 million in 2004-05 (2004 $241 million), of which employee contributions amounted to $139 million (2004 $115 million). The government guarantees payment of all benefits under the Management Employees Pension Plan arising from service before 1994.

A separate pension plan fund administered by the government is maintained for each pension plan. Pension plan fund assets are invested in both marketable investments of organizations external to the government and in Province of Alberta bonds and promissory notes.

NOTE 9 (continued)

At December 31, 2004, the Supplementary Retirement Plan for Public Service Managers reported a surplus of $9 million (2003 $9 million) when the Management Employees and the Public Service Pension Plans reported deficiencies. The deficiencies were extrapolated to March 31, 2005 and the government's share of the employer's estimated accrued benefit liability with respect to the Management Employees and the Public Service Pension Plans is analyzed in Schedule 12.

B) LONG TERM DISABILITY INCOME CONTINUANCE PLANS

The government also administers two long term disability income continuance plans. At March 31, 2005, these plans taken together reported an actuarial deficiency of $9 million (2004 $8 million). At March 31, 2005, the government's share of the estimated accrued benefit liability for these plans amounting to $9 million (2004 $7 million) has been recognized in these financial statements.

NOTE 10 COMPARATIVE FIGURES

Certain 2004 figures have been reclassified to conform to 2005 presentation.

Schedules to the 2004-05 Consolidated Financial Statements

REVENUES **Schedule 1**

	2005		2004
	Budget (Note 4)	Actual	Actual
		In millions	
Income taxes			
Personal income tax	$ 5,085	$ 4,649	$ 4,613
Corporate income tax	1,957	2,364	1,696
	7,042	7,013	6,309
Other taxes			
School property tax	1,233	1,247	1,178
Tobacco tax	660	698	671
Fuel tax	607	641	620
Freehold mineral rights tax	204	306	288
Insurance taxes	165	212	206
Hotel room tax	60	61	53
	2,929	3,165	3,016
Non-renewable resource revenue			
Natural gas and by-products royalty	3,373	6,439	5,450
Crude oil royalty	558	1,273	981
Bonuses and sales of Crown leases	694	1,252	967
Synthetic crude oil and bitumen royalty	100	718	197
Rentals and fees	145	153	154
Coal royalty	9	11	9
Royalty tax credit	(95)	(102)	(82)
	4,784	9,744	7,676
Transfers from Government of Canada			
Canada health and social transfer	-	-	1,767
Health transfers	1,625	1,737	277
Canada social transfer	679	605	-
Agriculture support programs	286	506	561
Other	381	371	321
	2,971	3,219	2,926
Net income from commercial operations			
Lottery operations	1,162	1,260	1,125
Liquor operations	551	567	557
Other	156	193	200
	1,869	2,020	1,882
Premiums, fees and licences			
Health care insurance premiums	928	918	940
Motor vehicle licences	270	285	266
Crop and hail insurance premiums	153	136	146
Timber rentals and fees	64	130	116
Other	318	343	346
	1,733	1,812	1,814
Net investment income	1,226	1,809	1,838
Other	398	546	426
	$ 22,952	$ 29,328	$ 25,887

EXPENSES BY MINISTRY

Schedule 2

	2005		2004
	Budget (Note 4)	**Actual**	**Actual (Restated)[a]**
		In millions	
Program expenses			
Offices of the Legislative Assembly	$ 76	$ 72	$ 56
Ministries [a]			
Health and Wellness	7,996	8,367	7,366
Education	3,811	3,869	3,635
Infrastructure and Transportation	2,567	3,096	2,271
Advanced Education	1,456	1,449	1,342
Seniors and Community Supports	1,315	1,339	1,236
Agriculture, Food and Rural Development	908	1,291	1,500
Children's Services	742	760	699
Human Resources and Employment	742	758	748
Finance	600	577	583
Solicitor General	346	358	283
Sustainable Resource Development	205	317	324
Justice	283	283	257
Community Development	214	202	187
Gaming	165	196	144
Innovation and Science	157	194	145
Energy	191	192	199
Municipal Affairs	123	149	139
Environment	125	132	122
Government Services	81	77	74
Economic Development	58	57	58
Restructuring and Government Efficiency	60	53	53
Aboriginal Affairs and Northern Development	36	36	35
Executive Council	21	19	18
International and Intergovernmental Relations	8	8	6
	22,286	23,851	21,480
Debt servicing costs	363	302	271
Pension provisions [b]	119	176	132
	$ 22,768	$ 24,329	$ 21,883

(a) As the result of government restructuring announced on November 24, 2004, the responsibilities of ministries changed and new ministries were formed. This schedule is prepared on the basis as if the ministries had always been assigned their current responsibilities. Comparative figures have been restated to conform to 2005 presentation.

(b) Pension provisions are related to Education and Finance.

EXPENSES BY OBJECT

Schedule 3

	2005	2004
	In millions	
Grants	$ 17,774	$ 15,738
Services	2,907	2,761
Salaries, wages, employment contracts and benefits	1,808	1,681
Interest and amortization of exchange gains and losses	553	534
Amortization of tangible capital assets	412	389
Valuation adjustments (Schedule 4)	301	213
Materials and supplies	196	209
Pension liability funding	196	189
Travel and communication	139	136
Corporate tax interest refunds	27	16
Other	16	17
	$ 24,329	$ 21,883

VALUATION ADJUSTMENTS

Schedule 4

	2005		2004
	Budget (Note 4)	Actual	Actual
		In millions	
Pension provisions	$ 119	$ 176	$ 132
Provision for losses, doubtful accounts, loans, guarantees and indemnities	105	116	71
Provision for employee benefits other than pensions	8	9	10
	$ 232	$ 301	$ 213

CASH AND TEMPORARY INVESTMENTS

Schedule 5

	2005		2004	
	Book Value	Fair Value	Book Value	Fair Value
		In millions		
Fixed-income securities [(a)]				
Government of Canada, direct and guaranteed	$ 269	$ 270	$ 478	$ 480
Provincial, direct and guaranteed	144	145	58	59
Municipal, direct and guaranteed	-	-	2	2
Corporate	1,471	1,471	693	695
Pooled investment funds	23	24	21	22
	1,907	1,910	1,252	1,258
Cash and cash equivalents	2,501	2,501	1,721	1,721
	4,408	4,411	2,973	2,979

(a) Fixed-income securities had an average effective market yield of 2.7% per annum (2004 2.2% per annum). All (2004 98%) of the securities had terms to maturity of less than one year.

PORTFOLIO INVESTMENTS Schedule 6

	2005		2004	
	Book Value	Fair Value	Book Value	Fair Value
	In millions			
Fixed-income securities [a][b][c]				
Government of Canada, direct and guaranteed	$ 558	$ 559	$ 987	$ 993
Provincial, direct and guaranteed	2,218	2,227	1,000	1,007
Municipal	72	72	14	14
Corporate	3,360	3,357	2,061	2,072
Pooled investment funds	4,106	4,193	4,153	4,273
	10,314	10,408	8,215	8,359
Equities [c]				
Canadian	2,519	2,829	2,939	3,343
Foreign	4,330	4,616	4,145	4,584
Real estate	1,138	1,341	975	1,063
Absolute return strategies	694	689	578	573
	8,681	9,475	8,637	9,563
	$ 18,995	$ 19,883	$ 16,852	$ 17,922

(a) The majority of the Province's fixed-income securities are held by the General Revenue Fund to repay debt as it matures, to provide funding for the capital plan, and to help protect operating and capital spending from short-term declines in revenue and the costs of emergencies, disasters, natural gas rebates and settlements with First Nations. As at March 31, 2005, the General Revenue Fund held $6.19 billion (2004 $4.04 billion) of public fixed-income securities at cost (Fair value $6.19 billion (2004 $4.06 billion)). The securities held have an average effective market yield of 3.4% (2004 2.3%) per annum. 65.8% (2004 77.3%) of the securities held had terms to maturity of less than two years.

(b) Fixed-income securities are also held by the Alberta Heritage Savings Trust Fund (Heritage Fund). As at March 31, 2005, the Heritage Fund held $3.66 billion (2004 $3.70 billion) of public fixed-income securities at cost (Fair value $3.73 billion (2004 $3.81 billion)). The securities held have an average effective market yield of 4.5% (2004 4.4%) per annum and the following term structure based on principal amount.

	2005	2004
	%	%
Under 1 year	4	3
1 to 5 years	35	38
6 to 10 years	32	29
11 to 20 years	12	11
Over 20 years	17	19
	100	100

(c) The Heritage Fund and the endowment funds identified in Note 3 use derivative contracts to enhance return, hedge risks and manage asset mix. As at March 31, 2005, the notional amount of all derivative contracts issued by these funds amounted to $4.61 billion (2004 $3.31 billion). 64% (2004 68%) of these contracts mature within one year. As at March 31, 2005, all derivative contracts taken together had a net positive fair value of $21 million (2004 negative fair value $89 million).

EQUITY IN COMMERCIAL ENTERPRISES

Schedule 7

	2005	2004
	In millions	
Accumulated surpluses		
Accumulated surpluses at beginning of year	$ 1,245	$ 1,062
Total revenue	3,797	3,634
Total expense	1,777	1,752
Net revenue	2,020	1,882
Net transfers to departments and other adjustments	(1,802)	(1,699)
Accumulated surpluses at end of year	$ 1,463	$ 1,245
Represented by		
Assets		
Loans	$ 13,138	$ 12,131
Investments	1,029	944
Other	1,628	1,621
	15,795	14,696
Liabilities		
Accounts payable	426	371
Deposits	13,840	13,035
Unmatured debt	66	45
	14,332	13,451
	$ 1,463	$ 1,245
Equity in commercial enterprises at end of year		
As reported by the entities		
Alberta Treasury Branches	$ 1,150	$ 962
Alberta Gaming and Liquor Commission	213	189
Credit Union Deposit Guarantee Corporation	98	93
N.A. Properties (1994) Ltd.	2	1
	1,463	1,245
Elimination of inter fund/agency balances	81	74
	$ 1,544	$ 1,319

LOANS AND ADVANCES

Schedule 8

	2005	2004
	In millions	
Loans and advances made under the authority of		
Alberta Capital Finance Authority Act [(a)]	$ 4,094	$ 3,961
Agriculture Financial Services Act [(b)]	995	1,005
Student Loan Act	225	196
Alberta Heritage Savings Trust Fund Act	186	182
Alberta Housing Act	30	22
Farm Credit Stability Act	14	26
Financial Administration Act	9	11
	5,553	5,403
Less allowance for doubtful accounts	234	218
	$ 5,319	$ 5,185

(a) The fair value of the loans as at March 31, 2005 was $4,574 million (2004 $4,488 million). Municipal loans on average yield 7.2% (2004 7.8%) per annum and have the following term structure as at March 31, 2005.

	2005	2004
	%	%
Under 1 year	12	1
1 to 5 years	36	21
6 to 10 years	25	31
Over 10 years	27	47
	100	100

Interest rate contracts are used to manage exposure to fluctuations in interest rates in certain fixed rate loans and related debt (see Schedule 11) made after January 1, 2004.

(b) The fair value of the loans as at March 31, 2005 was $941 million (2004 $962 million). Agricultural loan portfolios on average yield 6.3% to 7.0% (2004 6.9% to 7.2%) per annum and have the following term structure as at March 31, 2005.

	2005	2004
	%	%
Under 1 year	14	13
1 to 5 years	36	35
6 to 10 years	26	27
Over 10 years	24	25
	100	100

INVENTORIES FOR RESALE

Schedule 9

	2005	2004
	In millions	
Royalty oil	$ 26	$ 17
Other inventories	10	12
	$ 36	$ 29

UNMATURED DEBT **Schedule 10**

	2005				2004	
	Effective Rate [a][b][c]	Modified Duration [d]	Book Value [a]	Fair Value [a]	Book Value [a]	Fair Value [a]
	%	years	*In millions*			
Direct debt						
Canadian dollar debt and fully hedged foreign currency debt						
Floating rate and short-term fixed rate [e]	5.25	0.42	$ 1,307	$ 1,313	$ 1,486	$ 1,512
Fixed rate long-term [f]	6.92	4.22	2,285	2,601	2,933	3,429
	6.31	2.94	3,592	3,914	4,419	4,941
Unhedged U.S. dollar debt [g]						
Floating rate and short-term fixed rate [e]	3.75	0.32	130	123	680	694
Fixed rate long-term	-	-	-	-	48	53
	3.75	0.32	130	123	728	747
	6.22	2.86	3,722	4,037	5,147	5,688
Alberta Social Housing Corporation						
Canadian dollar fixed rate debt			80	118	81	119
			$ 3,802	$ 4,155	$ 5,228	$ 5,807

(a) Book value represents the amount the Province owes. Fair value is an approximation of market value to the holder. The book value, fair value and weighted average effective rate include the effect of interest rate and currency rate swaps. Effective rate is the rate that exactly discounts estimated future cash payments through the expected term of the debt to the net carrying amount. For non-marketable issues, the effective rate and fair value are determined by reference to yield curves for comparable quoted issues.

(b) Weighted average effective rates on unhedged U.S. dollar debt are based upon debt stated in U.S. dollars.

(c) Weighted average effective rate on total direct debt is on debt inclusive of deferred exchange gains and losses on unhedged U.S. dollar debt (see note (g)).

(d) Modified duration is the weighted average term to maturity of a security's cash flows (i.e. interest and principal) and is a measure of price volatility. The greater the modified duration of a bond, the greater its percentage price volatility.

(e) Floating rate debt includes short-term debt, term debt with less than one year remaining to maturity, and term debt with interest rate reset within a year.

(f) Canadian dollar fixed rate debt includes $679 million (2004 $679 million) held by the Canada Pension Plan Investment Fund.

(g) U.S. dollar debt includes the Province's effective exposure to U.S. dollars through cross currency swaps totalling $108 million U.S. at March 31, 2005. Unhedged U.S. dollar debt is translated into Canadian dollars at the March 31 noon exchange rate of $1.21 per U.S. dollar (2004 $1.31 per U.S. dollar).

Schedule 10 (continued)

Deferred exchange gains on unhedged U.S. dollar debt amounted to $6 million (2004 $5 million) at March 31, 2005. Amortization of deferred exchange gains amounted to $1 million (2004 $146 million) for the year ended March 31, 2005. In Budget 2004, a change in the exchange rate of one U.S. cent to the Canadian dollar was estimated to have a $6 million effect on debt servicing costs.

Debt principal repayment requirements at par in each of the next five years, including short-term debt maturing in 2005-06 and thereafter, are as follows:

	In millions	
	Total	Includes Unhedged
2005-06	$ 1,356	US$ 108
2006-07	151	-
2007-08	275	-
2008-09	732	-
2009-10	80	-
Thereafter	1,217	-
	$ 3,811	US$ 108

Derivative financial instruments

The Province uses interest rate swaps and currency rate swaps and contracts to manage the interest rate risk and currency exposure associated with unmatured debt. In addition, forward interest rate agreements may be used to manage interest rate exposure in the short term. Associated with these instruments are credit risks that could expose the Province to potential losses. Credit risk relates to the possibility that a loss may occur from the failure of another party to perform according to the terms of a contract. Credit exposure to counterparties is insignificant in relation to the notional principal amount, as shown in the table below. The Province minimizes its credit risk associated with these contracts by dealing with only credit worthy counterparties.

Interest rate swaps involve the exchange of a series of interest payments, either at a fixed or float rate, based upon a contractual or notional principal amount. An interest rate swap agreement based upon a notional amount involves no exchange of underlying principal. The notional amount serves as the basis for determining the exchange of interest payments. At March 31, 2005, interest rate swap agreements were being used primarily to convert fixed interest rate payments to floating rates.

Cross currency interest rate swaps involve both the swapping of interest rates and currencies.

The following table summarizes the Province's derivative portfolio and related credit exposure. Notional amount represents the amount to which a rate or price is applied in order to calculate the exchange of cash flows. Replacement cost represents what it would cost to replace at current market rates all contracts which have a positive fair value.

	2005		2004	
	Notional Amount	Replacement Cost	Notional Amount	Replacement Cost
	In millions			
Interest rate swaps	$ 825	$ 26	$ 1,131	$ 50
Cross currency interest rate swaps	174	21	498	30
	$ 999	$ 47	$ 1,629	$ 80

DEBT OF ALBERTA CAPITAL FINANCE AUTHORITY Schedule 11

	2005	2004
	In millions	
Canadian dollar fixed rate debt [a]	$ 4,267	$ 4,070

(a) Canadian dollar fixed rate debt includes $2,205 million (2004 $2,465 million) held by the Canada Pension Plan Investment Fund and has the following characteristics as at March 31, 2005 (see Schedule 10 note (a)).

	2005	2004
Fair value (in millions)	$ 4,699	$ 4,544
Effective rate per annum	7.3%	8.1%

Interest rate contracts are used to manage exposure to fluctuations in interest rates in certain fixed rate loans (Schedule 8) and related debt made after January 1, 2004. As at March 31, 2005, the notional amount of all derivative contracts issued by the Alberta Capital Finance Authority relating to the loans and related debt amounted to $1.32 billion (2004 $nil). 27% (2004 0%) of these contracts mature within one year. As at March 31, 2005, all derivative contracts taken together had a net negative fair value of $2 million (2004 $nil). The notional amounts, upon which payments are based, are not indicative of the credit risk associated with derivative contracts. Current credit exposure is represented by the current replacement cost of all outstanding contracts in a favourable position (positive fair value).

Debt principal repayment requirements in each of the next five years, including short-term debt maturing in 2005-06 and thereafter, are as follows:

	In millions
2005-06	$ 424
2006-07	395
2007-08	351
2008-09	259
2009-10	471
Thereafter	2,367
	$ 4,267

PENSION OBLIGATIONS

Schedule 12

The Province has pension obligations in respect of public sector pension plans as described below.

	2005	2004
	In millions	
Obligations to pension plans for employees of organizations outside the government reporting entity		
Teachers' Pension Plan (a)	$ 4,263	$ 4,094
Universities Academic Pension Plan (b)	185	171
Special Forces Pension Plan (b)	63	68
	4,511	4,333
Obligations to pension plans for current and former employees and Members of the Legislative Assembly		
Public Service Management (Closed Membership) Pension Plan (c)	656	676
Members of the Legislative Assembly Pension Plan (d)	47	50
Management Employees Pension Plan (c)	13	-
Public Service Pension Plan (c)	8	-
	724	726
	$ 5,235	$ 5,059

(a) The *Teachers' Pension Plans Act* requires all teachers under contract with public and separate school jurisdictions in Alberta to contribute to the Teachers' Pension Plan. Under the Act, the unfunded liability for service credited prior to September 1, 1992 is being financed by additional contributions in the ratio of 67.35% by the Province and 32.65% by the teachers over the period ending August 31, 2060. In addition, for service after August 1992, the Province funds 50% of the post-1992 unfunded liability, any current service costs and certain cost of living benefits. The Act provides that payment of all benefits prior to September 1, 1992 is guaranteed by the Province.

(b) Under the *Public Sector Pension Plans Act*, the Province has obligations for payment of additional contributions under defined benefit pension plans for certain employees of post-secondary educational institutions and municipalities. The plans are the Universities Academic and Special Forces pension plans.

For Universities Academic, the unfunded liability for service credited prior to January 1, 1992 is being financed by additional contributions of 1.25% of pensionable salaries by the Province, and contributions by employers and employees to fund the remaining amount, as determined by the plan valuation, over the period ending on or before December 31, 2043. Current service costs are funded by employers and employees.

For Special Forces, the unfunded liability for service credited prior to January 1, 1992 is being financed by additional contributions in the ratio of 45.45% by the Province and 27.27% each by employers and employees, over the period ending on or before December 31, 2036. Current service costs are funded by employers and employees. The Act provides that payment of all benefits arising from pensionable service prior to 1994, excluding post-1991 cost of living adjustment benefits, is guaranteed by the Province.

(c) The Public Service Management (Closed Membership) pension plan provides benefits to former members of the Public Service Management pension plan who were retired, were entitled to receive a deferred pension or had attained 35 years of service before August 1, 1992.

For Management Employees, the unfunded liability as determined by an actuarial valuation as at December 31, 2003 is being financed by a special payment of 6.8% of pensionable earnings shared between employees and employers as required to eliminate the unfunded liability over the period ending on or before December 31, 2018. Current services costs are funded by employers and employees. The government guarantees payment of all benefits arising from service before 1994.

For Public Service, the unfunded liability as determined by an actuarial valuation as at December 31, 2002 is being financed by a special payment of 2.76% of pensionable earnings shared equally between employees and employers as required to eliminate the unfunded liability over the period ending on or before December 31, 2017. Current service costs are funded by employers and employees.

(d) The Province has a liability for payment of pension benefits under a defined benefit pension plan for certain current and former Members of the Legislative Assembly. Active participation in this plan was terminated as of June 1993, and no benefits can be earned for service after that date.

Pension obligations are based upon actuarial valuations performed at least triennially using the projected benefit method prorated on services. The assumptions used in the valuations were adopted after consultation between the pension plan boards, the government and the actuaries, depending on the plan, and represent best estimates of future events. Each plan's future experience will inevitably vary, perhaps significantly, from the assumptions. Any differences between the actuarial assumptions and future experience will emerge as gains or losses in future valuations. Gains and losses are amortized over the expected average remaining service lives of the related employee groups.

Information about the economic assumptions used in the most recent actuarial valuations is provided below for each plan for which there is an obligation. Demographic assumptions used in the valuations reflect the experience of the plans.

Plan	Latest Valuation	Real Rate of Return %	Inflation Rate %	Investment Rate of Return %
Teachers' Pension Plan	August 31, 2004	4.25	3.0	7.25
Universities Academic Pension Plan	December 31, 2004	4.0	2.75	6.75
Special Forces Pension Plan	December 31, 2001	3.75	3.25	7.0
Public Service Management (Closed Membership) Pension Plan	December 31, 2002	3.0	3.0	6.0
Members of the Legislative Assembly Pension Plan	March 31, 2003	3.0	3.0	6.0
Management Employees Pension Plan	December 31, 2003	4.0	2.75	6.75
Public Service Pension Plan	December 31, 2002	3.75	3.25	7.0

Schedule 12 (continued)

The actuarial valuation of the Teachers' Pension Plan as at August 31, 2004 indicated an actuarial deficiency of actuarial net assets over the actuarial present value of accrued benefits. The unfunded liability was extrapolated to March 31, 2005. The government's share of the unfunded liability as at March 31, 2005 is comprised of actuarial asset value of $1,524 million (2004 $1,409 million), actuarial liabilities of $6,001 million (2004 $5,447 million) and net unamortized deferred loss of $214 million (2004 net deferred gain of $56 million). Total loss deferred during the year was $268 million and total amortization of net actuarial gain was $2 million (2004 $29 million). The actual return on assets was 11.5% for the year ended August 31, 2004.

As at December 31, 2004, the Management Employees Pension Plan reported a deficiency of $268 million (2004 $290 million) and the Public Service Pension Plan reported a deficiency of $450 million (2004 $584 million). These unfunded liabilities were extrapolated to March 31, 2005. The government's share of the unfunded liabilities as at March 31, 2005 includes net unamortized deferred losses of $355 million (2004 $369 million).

A separate pension plan fund is maintained for each pension plan except for the Members of the Legislative Assembly plan. Pension plan fund assets are invested in both marketable investments of organizations external to the government and in Province of Alberta bonds and promissory notes.

OTHER ACCRUED LIABILITIES

Schedule 13

	2005	2004
	In millions	
Future funding to school boards to enable them to repay debentures issued to Alberta Capital Finance Authority	$ 451	$ 526
Vacation entitlements	170	163
Guarantees, indemnities and remissions		
Guarantees (Schedule 15)	11	13
Remissions for guaranteed student loans (Schedule 15)	1	3
Remissions for non-guaranteed student loans	8	15
	20	31
Other	1	2
	$ 642	$ 722

TANGIBLE CAPITAL ASSETS

Schedule 14

			2005		2004
	Estimated Useful Life	Cost	Accumulated Amortization	Net Book Value	Net Book Value
			In millions		
General capital assets					
Land [a]	Indefinite	$ 1,250	$ -	$ 1,250	$ 1,229
Buildings	40 years	3,011	1,440	1,571	1,509
Computer hardware and software	5-10 years	614	347	267	255
Equipment [b]	3-10 years	432	138	294	236
Other [c]	20-50 years	216	138	78	73
		5,523	2,063	3,460	3,302
Infrastructure assets					
Land improvements [d]	10-40 years	196	114	82	80
Provincial highways, roads and airstrips [e]	50 years	8,182	2,384	5,798	5,625
Bridges [e]	50 years	862	232	630	600
Dams and water management structures [f]	25-80 years	1,167	240	927	905
		10,407	2,970	7,437	7,210
		$ 15,930	$ 5,033	$ 10,897	$ 10,512

(a) Land includes land acquired for parks and recreation, building sites, infrastructure and other program use. It does not include land held for resale or Crown lands acquired by right.

(b) Equipment includes SuperNet, vehicles, heavy equipment, fire protection equipment, office equipment and furniture, and other equipment.

(c) Other tangible capital assets include leasehold improvements (amortized over the life of the lease), rail cars and trailers.

(d) Land improvements include parks development and grazing reserves.

(e) Provincial highways and roads consist of original pavement, roadbed, drainage works and traffic control devices, and include secondary highways and bridges and some key arterial roadways within cities.

(f) Dams and water management structures include dams, reservoirs, weirs, canals, dikes, ditches, channels, diversions, cut-offs, pump houses and erosion protection structures.

GUARANTEES

Schedule 15

	2005	2004	Expiry Date
	In millions		
Feeder Associations Guarantee Act	$ 49	$ 52	Ongoing
Agriculture Financial Services Act	35	39	Ongoing
Alberta Housing Act	32	42	2011
Student Loan Act	30	41	Ongoing
Farm Credit Stability Act [(a)]	15	27	2011
Securities Act	2	2	Ongoing
Centre for Engineering Research Inc.	1	1	2005
University of Calgary	1	1	2016
Rural utilities loans	-	1	-
	165	206	
Less estimated liability (Schedule 13)			
Guarantees	11	13	
Remissions for guaranteed student loans	1	3	
	12	16	
	$ 153	$ 190	

Authorized loan guarantee limits are shown below where applicable. Where authorized loan guarantee limits are not noted, the authorized limits decline as guaranteed or indemnified loans are repaid.

Guarantee programs under the following Acts are ongoing:

- Student Loan Act (authorized guarantee limit set by Order in Council is $400 million),
- Feeder Associations Guarantee Act (authorized guarantee limit set by Order in Council is $55 million),
- Agriculture Financial Services Act, and
- Securities Act.

The lender takes appropriate security prior to issuing to the borrower a loan which is guaranteed by the Province. The security taken depends on the nature of the loan. Interest rates are negotiated with the lender by the borrower and typically range from prime to prime plus two per cent.

(a) The expiry date shown is the latest expiry date for guaranteed loans under the program. No new program guarantees are being issued under the Farm Credit Stability Act.

The financial statements of the following organizations are consolidated in these financial statements:

Offices of the Legislative Assembly
Support to the Legislative Assembly
Office of the Auditor General
Office of the Ombudsman
Office of the Chief Electoral Officer
Office of the Ethics Commissioner
Office of the Information and Privacy Commissioner

Departments
Aboriginal Affairs and Northern Development
Agriculture, Food and Rural Development
Advanced Education
Children's Services
Community Development
Economic Development
Education
Energy
Environment
Executive Council
Finance
Gaming
Government Services
Health and Wellness
Human Resources and Employment
Infrastructure and Transportation
Innovation and Science
International and Intergovernmental Relations
Justice
Municipal Affairs
Restructuring and Government Efficiency
Seniors and Community Supports
Solicitor General
Sustainable Resource Development

Regulated Funds
Alberta Heritage Foundation for Medical Research Endowment Fund
Alberta Heritage Savings Trust Fund
Alberta Heritage Scholarship Fund
Alberta Heritage Science and Engineering Research Endowment Fund
Alberta Risk Management Fund
Alberta School Foundation Fund
Environmental Protection and Enhancement Fund

Regulated Funds (continued)

Historic Resources Fund
Lottery Fund
Provincial Judges and Masters in Chambers Reserve Fund
Supplementary Retirement Plan Reserve Fund
Victims of Crime Fund

Provincial Agencies

Agriculture Financial Services Corporation
Alberta Alcohol and Drug Abuse Commission
Alberta Capital Finance Authority
Alberta Energy and Utilities Board
Alberta Foundation for the Arts
The Alberta Historical Resources Foundation
Alberta Informatics Circle of Research Excellence Inc.
Alberta Pensions Administration Corporation
Alberta Petroleum Marketing Commission
Alberta Research Council Inc.
Alberta Science and Research Authority
Alberta Securities Commission
Alberta Social Housing Corporation
Alberta Sport, Recreation, Parks and Wildlife Foundation
Calgary and Area Child and Family Services Authority
Central Alberta Child and Family Services Authority
East Central Alberta Child and Family Services Authority
Edmonton and Area Child and Family Services Authority
The Government House Foundation
Human Rights, Citizenship and Multiculturalism Education Fund
Metis Settlements Child and Family Services Authority
Natural Resources Conservation Board
North Central Alberta Child and Family Services Authority
Northeast Alberta Child and Family Services Authority
Northwest Alberta Child and Family Services Authority
Persons with Developmental Disabilities Calgary Region Community Board
Persons with Developmental Disabilities Central Region Community Board
Persons with Developmental Disabilities Edmonton Region Community Board
Persons with Developmental Disabilities Northeast Region Community Board
Persons with Developmental Disabilities Northwest Region Community Board
Persons with Developmental Disabilities Provincial Board
Persons with Developmental Disabilities South Region Community Board
Southeast Alberta Child and Family Services Authority
Southwest Alberta Child and Family Services Authority
The Wild Rose Foundation

Schedule 16 (continued)

Non-commercial Crown-controlled Corporation
Alberta Insurance Council

The following organizations are accounted for on the modified equity basis in these financial statements:

Commercial Enterprises
Alberta Gaming and Liquor Commission
The Alberta Government Telephones Commission
Alberta Treasury Branches
Credit Union Deposit Guarantee Corporation
N.A. Properties (1994) Ltd.

Commercial Crown-controlled Corporation
Gainers Inc.

Measuring Up

BUDGET
2004
ON ROUTE
ON COURSE
Heading Toward Alberta's Second Century

Government of Alberta
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Introduction

PURPOSE OF MEASURING UP

This is the eleventh annual *Measuring Up* report to Albertans, as required under section 10 of the *Government Accountability Act*, and forms part of the government's commitment to be open and accountable.

REPORTING ON RESULTS

2004-05 Measuring Up reports on progress made towards achieving the 12 goals and 76 performance measures established in the *2004-07 Government of Alberta Business Plan*, published as part of *Budget 2004 - On Route, On Course: Heading Toward Alberta's Second Century*.

Goals 1 to 11 focus on measuring the government's performance with respect to its programs and services, while Goal 12 focuses on performance with respect to government-owned and supported infrastructure.

FACTORS AFFECTING RESULTS

The extent to which a measure meets its target is a function of government strategies, the actions of all Albertans, and external events. For example, the GDP measure depends on the policies of the government to foster economic growth. However, economic growth also depends on the actions of Alberta households and businesses and on the strength of the world economy, as Alberta is an open, trade-based economy.

METHODOLOGY AND DATA

The Methodology and Data section in the Appendix at the end of the report provides the data, methods and sources used to collect the data for each of the measures, and any changes in methodology from previous years. To ensure that the results reported are relevant and reliable, *Measuring Up* uses only the most current reliable data.

ALLOCATION OF GOVERNMENT SPENDING BY GOAL

2004-05 Measuring Up also reports the expense directed towards achieving each goal. For Goals 1 to 11, total expense is derived from the Expenses by Function amounts reported in the 2004-05 Consolidated Statement of Operations. Goal 12 is aligned with the 2004-05 Capital Plan spending. The spending for Goal 12 includes the total value of capital being acquired or directly supported by the provincial government. This includes grants to local authorities for capital purposes, which are also included in Goals 1 to 11, spending on provincial government-owned capital and the value of projects being alternatively financed.

SUMMARY TABLES

The Summary of Results section presents four summary tables: Goals and Measures Summary which summarize the results for each of the measures; an Expense by Goal table that summarizes the allocation of total government expense to each of Goals 1 to 11; a Capital Plan table showing the amounts allocated to Goal 12; and a 2004-05 Expense by Goal by Ministry table that presents a breakdown of ministry spending for each of the goals.

CROSS-MINISTRY INITIATIVES

Measuring Up also reports on four initiatives that focus on corporate priorities involving more than one ministry and contribute to achieving the government's goals. Progress in relation to the objectives and targets established for each of the four cross-ministry initiatives is reported following the presentation of the government's goals.

STRUCTURE OF PERFORMANCE REPORTING

In addition to the performance results in *Measuring Up*, more detailed performance information is reported in ministry annual reports published each Fall. Ministry performance information reports on ministry business plan goals and related measures which are linked to the government goals in *Measuring Up*.

LOOKING AHEAD

The *2005-08 Government Business Plan*, published as part of *Budget 2005 - Investing in the Next Alberta*, shows the government's current strategies for achieving its goals. These strategies reflect the government's response to changes in circumstances, external events and issues of importance to Albertans.

AN INVITATION TO RATE OUR PERFORMANCE

After reading *Measuring Up*, please tell us what you think of it. **Please complete our** Readership Survey. You can also contact us by e-mail at measuringup@gov.ab.ca.

Goals and Measures Summary

GOAL ONE 1

Albertans will be healthy

Life Expectancy at Birth - Female and male life expectancies at birth were ranked 8th and 9th respectively among countries (target: among the top 10 in the world).

Participation in Healthy Behaviour - 77% of Albertans did not smoke (target: 75%); 56% exercised regularly (target: 55%); and 47% had an acceptable weight (target: 50%).

Self-Reported Health Status - 89% of Albertans aged 18 to 64 (target: 90%), and 78% of Albertans aged 65 years and over (target: 80%), rated their health as "excellent", "very good" or "good".

Overall Quality of Health Care Received - 86% of Albertans rated their overall quality of care received as "excellent" or "good" (target: 85%).

Ease of Access to Physician and Hospital Services - 86% of Albertans had "easy" or "very easy" access to physician services (target: 86%), while 72% of Albertans had "easy" or "very easy" access to hospital services (target: 72%).

GOAL TWO 2

Albertans will be well prepared for lifelong learning and work (1)

Literacy and Numeracy Levels Grade 9 - The percentage of students that achieved the acceptable standard on provincial achievement tests was 78% for language arts (target: 80%) and 66% for mathematics (target: 68%).

Educational Attainment of Albertans Ages 25-34 - High school completion rate for Albertans ages 25-34 was 90% (target: 90%). Post-secondary completion rate for Albertans ages 25-34 was 57% (target: 60%).

Lifelong Learning - 69% of the public were satisfied that adult Albertans have access to lifelong learning (target: 73%).

Adult Participation in Learning - 29% of Albertans participated in credit and non-credit courses (target: 32%).

Participants Employed Post-Intervention - 81% of participants were employed as a result of Work Foundations and Training for Work programs and services (target: 70%).

GOAL THREE 3

Alberta's children and youth will be supported in reaching their potential (2)

Social and Emotional Development - 85.9% of Alberta children (national average: 84%) demonstrated healthy social development, while 85% (national average: 82.2%) demonstrated healthy emotional development (target: maintain or improve Alberta's results relative to the national average).

Parenting Skills - 88.4% of Alberta children aged 0-5 (national average: 83.9%), received positive interaction with their parents (target: maintain or improve Alberta's result relative to the national average).

GOAL FOUR 4

Albertans will be self-reliant and those unable to provide for their basic needs will receive help (3)

Persons with Developmental Disabilities (PDD) Funded Services - 85.8% of families/guardians of persons with developmental disabilities were satisfied with PDD-funded services (target: 91%).

Goals and Measures Summary

GOAL FIVE 5

Aboriginal communities and people in Alberta will have improved social and economic circumstances (4)

Source of Income - There was a 5 percentage point difference in the proportion of income received from government transfers by Aboriginal people compared to non-Aboriginal people (target: reduce the difference to 4% by 2006).

Participation in the Economy - There was a 5.3 percentage point difference in the participation rates of Aboriginal people and non-Aboriginal people (target: reduce the difference to 4% by 2006).

Aboriginal Affairs - Public approval rating on Aboriginal issues was 9 percentage points higher than the average of the four nearest provinces (target: have the public approval rating higher than the average of the four nearest provinces).

GOAL SIX 6

Alberta will have an effective, responsive and well-managed local government sector

Municipal Financial Accountability - 99% of municipalities met the criteria of financial accountability (target: 97%).

Albertans' Satisfaction with their Local Governments - 79% of Albertans were satisfied with their local governments (target: 75%).

Local Authorities' Cost of Borrowing from Alberta Capital Finance Authority - Borrowing costs of local authorities in Alberta were lowest among Canadian municipalities for 3 of 4 cases compared (target: lowest rates among Canadian municipalities).

Local Authorities' Satisfaction with Alberta Capital Finance Authority (ACFA) - 55% of local authorities were satisfied with ACFA new lending policies (target: 85%), while 73% were satisfied with ACFA efficiency (target: 85%).

GOAL SEVEN 7

Alberta will have a prosperous economy

Gross Domestic Product (GDP) - Three-year average annual GDP growth was 7.6% (target: 4%).

Job Growth - 215,700 net jobs were created over the five year period ending in 2004 (target: 240,000 for the six years ending in 2005).

Labour Force Participation Rate - Alberta had the highest labour force participation rate among provinces (target: highest among the provinces).

Labour Productivity - Alberta's labour productivity was highest among the provinces (target: highest among the provinces).

Personal Disposable Income - Alberta had the highest personal disposable income among the provinces (target: among the top two provinces).

Value-Added Industries - 30.5% of real GDP was contributed by the province's manufacturing and knowledge-intensive industries (target: greater than 30.6%).

Export Trade - International value-added exports measured in current dollars, including manufactured goods, tourism and other services, were $25 billion (target: $22.7 billion).

Tourism Industry Revenue - $4.6 billion in tourism expenditures were made in Alberta by Alberta residents, and visitors from overseas, the United States and other provinces (target: $5.3 billion).

Barriers to Trade - The Alberta government is currently working on a long-term solution to the softwood lumber dispute (target: solution by December 31, 2005).

Business Connectiveness - The percentage of Alberta households that use the Internet at work was the highest among the provinces (target: among the top three provinces).

Sponsored Research at Alberta Universities - Sponsored research from all sources totaled $583.7 million (target: $492 million).

Industrial Disposition Planning - 22% of active oil and gas industrial dispositions were subject to Area Operating Agreements (target: 35%).

Biodiversity Monitoring System - Design of a biodiversity monitoring system is in progress (target: system designed and tested by 2006).

Oil Sands Production - Oil sands production (crude bitumen) increased by 13% (target: increasing production).

Goals and Measures Summary

GOAL EIGHT

Alberta will have a financially stable, open and accountable government and a strong intergovernmental position in Canada

Intergovernmental Relations - Alberta's public approval rating for federal-provincial relations was below average (target: average or above average approval rating).

Provincial Credit Rating - Alberta maintained a AAA credit rating for domestic debt from all three major credit rating agencies, the highest possible rating (target: AAA credit rating).

Accumulated Debt - Alberta's accumulated debt less funds locked into the Debt Retirement Account for future debt repayment is zero (target: $3.0 billion).

Tax Load - Alberta had the lowest total provincial and municipal tax load among the provinces (target: lowest among the provinces).

Government Financial Accountability - 55% of Albertans think they get enough information on the government's financial performance (target: 75%).

GOAL NINE

Alberta will be a fair and safe place to work, live and raise families (5)

Effectiveness of Human Rights Protection - 87.6% of adult Albertans felt human rights were well protected in Alberta (target: 86%).

Violent Crime Rate - Alberta had the lowest violent crime rate, per 100,000 population, among the four western provinces (target: lowest among four western provinces).

Property Crime Rate - Alberta had the lowest property crime rate, per 100,000 population, among the four western provinces (target: lowest among four western provinces).

Perception of Safety in the Neighbourhood - 77% of Albertans felt "reasonably safe" to "very safe" walking alone in their neighbourhoods at night (target: 82%).

Workplace Lost-Time Claim Rate - There were 2.6 lost-time claims per 100 person-years worked (target: 2.0).

Involvement of Drinking Drivers in Fatal Collisions - 19.1% of fatal collisions involved drinking drivers (target: below 20%).

Work Stoppages - 99.4% of collective bargaining agreements were settled without a work stoppage (target: 98%).

Harmonized Securities Legislation - Provincial/territorial Memorandum of Understanding signed (target: develop a proposal).

GOAL TEN

The high quality of Alberta's environment will be sustained (6)

Greenhouse Gas Emissions Intensity - Alberta Greenhouse Gas Emissions Intensity was 85% of 1990 levels (target: 50% of 1990 levels by 2020).

Municipal Solid Waste to Landfills - Alberta's municipal solid waste to landfills totaled 800 kg per capita (target: 500 kg per capita).

River Water Quality Index - 5 out of 6 river systems had "good" or "excellent" water quality, same as the previous year (target: maintain river water quality).

Air Quality Index - Alberta air quality was rated as "good" 98% of the time with no "poor" days (target: 97% "good" days with no "poor" days).

Goals and Measures Summary

GOAL ELEVEN

Albertans will have the opportunity to participate in community and cultural activities and enjoy the province's historical resources and parks and protected areas (7)

Participation in Arts and Cultural Activities - 87.2% of adult Albertans participated in arts and cultural activities (target: 90%).

Sport and Recreation Participation - 83.4% of adult Albertans participated in sport and recreational activities (target: 85%).

Visitor Satisfaction with Provincial Historic Sites, Museums and Interpretive Centres - 97.7% of visitors were satisfied with their experiences at provincial historic sites, museums and interpretive centres (target: 99%).

Public Library Use - 50.2% of adult Albertans used public library services (target: 54%).

Level of Community Volunteerism - 66.5% of adult Albertans volunteered in communities (target: 73%).

Film Production Employment Opportunities - The Alberta Film Development Program supported 3,505 film production employment opportunities (target: 2,950).

GOAL TWELVE

Alberta will have effective and sustainable government-owned and supported infrastructure

Physical Condition of Health Facilities - 96% of health facilities were in acceptable ("fair" or "good") physical condition (target: 94%).

Physical Condition of Learning Facilities - 97% of schools (target 95%) and 88% of post-secondary institutions (target: 91%) were in acceptable ("fair" or "good") physical condition.

Physical Condition of Government Owned and Operated Buildings - 97% of government-owned and operated buildings were in acceptable ("fair" or "good") physical condition (target: 97%).

Physical Condition of Provincial Highways - 88.8% of provincial highways were in acceptable ("fair" or "good") physical condition (target: 86%).

Utilization of Provincial Highways - 99.8% of provincial highways were at Level of Service C (traffic flow not severely restricted) or better (target: 99%).

North-South Trade Corridor - 83.5% of four-lane highway was open to travel (target: 84%).

Ring Roads in Edmonton and Calgary - 18.2% of ring roads open to travel (target: 22%).

SuperNet Completion - Services were available to 173 rural communities (target: 395) and 27 urban communities (target: 27).

Physical Condition of Water Management Infrastructure (headworks, dams and irrigation canals) - 99.5% of water management infrastructure was in "fair", "good" or "excellent" physical condition (target: 96%).

Notes:

(1) Targets have not been established for the following measures: **Educational Attainment of Aboriginal Albertans Ages 25-34** and **Employment Preparedness**. The **Skill Development** measure is not included as it is based on a biennial survey; therefore, no target was set for 2004-05.

(2) The **Well-being of Children** measure is not included as current results weren't available for comparison to the 2004-05 target (to be among the top three provinces). The **Children in Care** measure is not included, as a target had not been established.

(3) The **Economic Status of Albertans** measure is not included as current results were not available for comparison to the 2004-05 target (to be among the top three provinces). The **Alberta's Seniors Benefit** measure is not included, as a target was not established in the published 2004-07 Government Business Plan.

(4) The **Participation in the Economy** (by Aboriginal component group and gender) measure is not included, as a target was not established.

(5) The **Wildfire Prevention** measure is not included, as 2004-05 revisions to the measure made the results not comparable to target.

(6) The **Drinking Water Safety Indicator** measure is not included as a target was not established in the published *2004-07 Government Business Plan*.

(7) The **Visitor Satisfaction with Provincial Parks and Recreation Areas** measure is not included, as a target was not established.

Expense by Goal[1] **(millions of dollars)**		2003-04 Actual	2004-05 Budget	2004-05 Actual
Goal 1	Albertans will be healthy	7,634	8,407	9,071
Goal 2	Albertans will be well prepared for lifelong learning and work	5,850	6,354	6,384
Goal 3	Alberta's children and youth will be supported in reaching their potential.	699	742	760
Goal 4	Albertans will be self-reliant and those unable to provide for their basic needs will receive help	1,724	1,815	1,865
Goal 5	Aboriginal communities and people in Alberta will have improved social and economic circumstances	35	36	36
Goal 6	Alberta will have an effective, responsive and well-managed local government sector	411	392	385
Goal 7	Alberta will have a prosperous economy	3,069	2,519	3,206
Goal 8	Alberta will have a financially stable, open and accountable government and a strong intergovernmental position in Canada	1,030	1,115	1,022
Goal 9	Alberta will be a fair and safe place to work, live and raise families	862	801	958
Goal 10	The high quality of Alberta's environment will be sustained	164	161	172
Goal 11	Albertans will have the opportunity to participate in community and cultural activities and enjoy the province's historical resources and parks and protected areas	273	307	294
Total Program and Debt Servicing Expense		21,751	22,649	24,153

[1] Derived from the Expenses by Function amounts in the 2004-05 Consolidated Statement of Operations.

Capital Plan[1] **(millions of dollars)**		2003-04 Actual	2004-05 Budget	2004-05 Actual
Goal 12	Alberta will have effective and sustainable government-owned and supported infrastructure [1]	1,659	2,393	2,842

[1] Represents the total value of capital being acquired or directly supported by the provincial government. This includes grants to local authorities for capital purposes, which are also included in Goals 1 to 11, spending on provincial government-owned capital, and the value of projects being alternatively financed. It does not include capital amortization and financing costs.

2004-05 Expense by Goal by Ministry

(millions of dollars)

	Goals*												
	One	Two	Three	Four	Five	Six	Seven	Eight	Nine	Ten	Eleven		Total
Legislative Assembly	-	-	-	-	-	-	-	72	-	-	-	-	72
Aboriginal Affairs and Northern Development	-	-	-	-	36	-	-	-	-	-	-	-	36
Advanced Education	-	1,449	-	-	-	-	-	-	-	-	-	-	1,449
Agriculture, Food and Rural Development	-	-	-	-	-	-	1,291	-	-	-	-	-	1,291
Children's Services	-	-	760	-	-	-	-	-	-	-	-	-	760
Community Development	-	-	-	-	-	-	-	-	6	-	196	-	202
Economic Development	-	-	-	-	-	-	57	-	-	-	-	-	57
Education	-	3,869	-	-	-	-	-	-	-	-	-	-	3,869
Energy	-	-	-	-	-	-	135	43	-	14	-	-	192
Environment	-	-	-	-	-	-	-	-	-	132	-	-	132
Executive Council	-	-	-	-	-	-	-	19	-	-	-	-	19
Finance	50		-	-	-	305	14	187	21	-	-	-	577
Gaming	-	-	-	-	-	-	107	5	-	-	84	-	196
Government Services	-	-	-	-	-	-	3	3	71	-	-	-	77
Health and Wellness	8,367	-	-	-	-	-	-	-	-	-	-	-	8,367
Human Resources and Employment	-	263	-	452	-	-	6	10	27	-	-	-	758
Infrastructure and Transportation	654	803	-	4	-	-	1,276	288	31	26	14	-	3,096
Innovation and Science	-	-	-	-	-	-	194	-	-	-	-	-	194
International and Intergovernmental Relations	-	-	-	-	-	-	-	8	-	-	-	-	8
Justice	-	-	-	57	-	-	-	-	226	-	-	-	283
Municipal Affairs	-	-	-	-	-	80	-	32	37	-	-	-	149
Restructuring and Government Efficiency	-	-	-	-	-	-	-	53	-	-	-	-	53
Seniors and Community Supports	-	-	-	1,339	-	-	-	-	-	-	-	-	1,339
Solicitor General	-	-	-	13	-	-	-	-	345	-	-	-	358
Sustainable Resource Development	-	-	-	-	-	-	123	-	194	-	-	-	317
Total Program Expense	**9,071**	**6,384**	**760**	**1,865**	**36**	**385**	**3,206**	**720**	**958**	**172**	**294**	**-**	**23,851**
Debt Servicing Costs	-	-	-	-	-	-	-	302	-	-	-	-	302
Total Program and Debt Servicing Expense	**9,071**	**6,384**	**760**	**1,865**	**36**	**385**	**3,206**	**1,022**	**958**	**172**	**294**	**-**	**24,153**
Pension Provisions	-	-	-	-	-	-	-	-	-	-	-	176	176
Total Expense	**9,071**	**6,384**	**760**	**1,865**	**36**	**385**	**3,206**	**1,022**	**958**	**172**	**294**	**176**	**24,329**

* See previous page for goal statements.

AUDITOR
GENERAL
Alberta

Report of the Auditor General on the Results of Applying Specified Auditing Procedures to Performance Measures

TO THE MEMBERS OF THE LEGISLATIVE ASSEMBLY

In connection with the Province of Alberta's performance measures included under each of the 12 goals in the Government of Alberta Annual Report for the year ended March 31, 2005, I have:

1. agreed information from an external organization to reports from the organization.
2. agreed information from reports that originated within the Government of Alberta to source reports. In addition, I tested the procedures used to compile the underlying data into the source reports.
3. checked that the presentation of results is consistent with information in the Methodology and Data Appendix.
4. checked that the results presented are comparable to stated targets, and information presented in prior years.
5. checked that the performance measures, as well as targets, agree to and include results for all of the measures presented in Budget 2004.

As a result of applying the above procedures, I found no exceptions. These procedures, however, do not constitute an audit and therefore I express no opinion on the performance measures included in the Government of Alberta Annual Report for the year ended March 31, 2005.

Fred J Dunn

FCA
Auditor General

Edmonton, Alberta
June 14, 2005

Results by Goal

Reader's Guide

2004-05 Measuring Up reports on the 12 goals in the *2004-07 Government Business Plan*. Each goal has three main sections:

Performance Results - This section provides: a general description of the goal statement; the amount of government expense directed at achieving the goal in 2004-05; the progress that has been made on the government strategies set out in the business plan for achieving the goal; and the results for the measures that are used to track progress towards goal achievement.

The results for each measure are discussed and any variances from the target set in the business plan are explained including the external factors that may have influenced the results.

Expense by Goal - For each of Goals 1 to 11, this section supplements the performance results with a list of the ministries that financially contributed to achieving the goal in 2004-05. A graph is presented that illustrates the total expense directed at achieving the goal, the budgeted expense for the goal and the expense for the previous year, 2003-04. An accompanying graph presents each expense amount as a percentage of the respective totals.

For Goal 12, the Capital Plan amounts are presented. A graph illustrates the 2004-05 Capital Plan spending, as well as the budgeted and previous year's amounts.

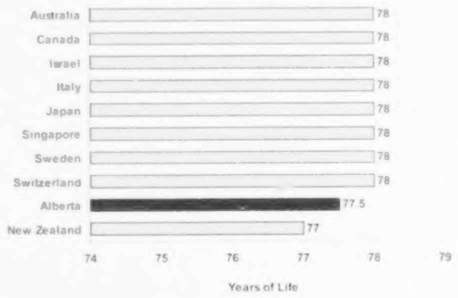
Measures - This section presents a table of the suite of measures discussed in the performance results section of the goal. For each measure the most current results available are reported. The table also provides a brief description of the measure, the 2004-05 target and the previously reported results for the measure with revisions if available. Where a measure has no target established, or no data available for comparison to its target, the measure is included in a note below the table. More information on the data and methodology for each measure is presented in the Appendix of the report.

Albertans will be healthy

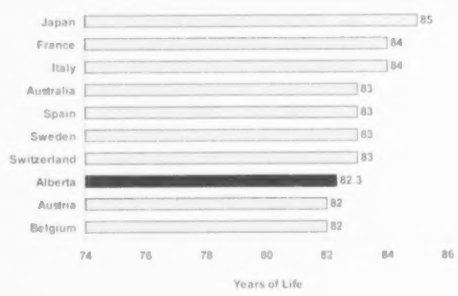
Performance Results

Albertans are encouraged to realize their full health potential through informed lifestyle choices. The province contributes to the health of Albertans by encouraging and supporting healthy living, ensuring quality health services are available, and by leading the health system. In 2004-05, the Alberta government directed $9,071 million towards the health care system.

Life Expectancy at Birth - Life expectancy at birth is a universally recognized indicator of the general health and well-being of a population. Internationally, in 2003, Alberta females and males ranked 8th and 9th at 82.3 years and 77.5 years, meeting the target to rank among the top ten countries in the world. Life expectancy is greater where individuals live in a healthy physical environment, eat a healthy diet, engage in regular physical activity, enjoy a positive work environment, and have better access to quality health care. Jurisdictions with the highest life expectancies also have greater national wealth and economic development, higher levels of individual socio-economic status, and better health care systems. Reducing mortality rates for infants and reducing mortality rates due to heart disease, cancer, respiratory disease, and injuries would increase life expectancy in Alberta even further.



Male Life Expectancy



Female Life Expectancy

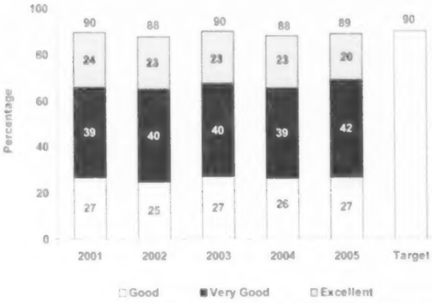
More than half of respondents exercised regularly; less than half were at an acceptable weight; and a high percentage were non-smokers.

Participation in Healthy Behaviour - The Government of Alberta engages in numerous health promotion, health protection, and disease prevention programs designed to inform and support Albertans in pursuit of health and healthy behavior. The Healthy U @ Work program, which encourages Alberta employers to adopt and promote healthy practices at work, is one example. Another is Keep Your Body in Check, a program co-sponsored by the government and the Canadian Diabetes Association, which focuses on the prevention of type 2 diabetes. It includes a province-wide radio and television awareness campaign about the dangers of obesity and the importance of a healthy diet and regular physical activity. Other notable programs have created new treatment standards for osteoporosis, and have improved patient safety during childbirth.

Living a healthy lifestyle greatly contributes to an improved quality and length of life. Results from the Canadian Community Health Survey indicate that in 2003, more than half of the respondents were exercising regularly (56%), above the target of 55%; almost half were at acceptable weight levels (47%), below the target of 50%; and a high percentage reported their smoking status as non-smoking (77%), exceeding the target of 75%.

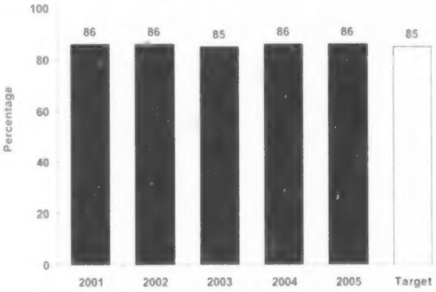
Self-Reported Health Status - Self-reported health status is a good indicator of the health and well-being of Albertans. It is accepted across Canada as a means of reporting on population health. It measures the degree to which Albertans feel healthy compared to others their own age. How people rate their own health is affected by a variety of factors including chronic disease, disability, temporary illness and mental health. Survey results indicate that in 2005, 89% of Albertans aged 18-64 years and 78% of Albertans aged 65 years and over rated their health as "good", "very good" or "excellent". This is very close to the targets of 90% and 80% respectively.

Self-Reported Health Status 18-64 Years



Overall Quality of Health Care Received - High quality health services are essential to the health system. The "overall quality of health care received" measure reflects the views of Albertans' overall quality of care. Survey results indicate that in 2005, 86% of Albertans continued to receive "excellent" or "good" quality health services, above the target to maintain 85%. To improve clinical and management decision-making, the electronic health record has been deployed to all health authorities and to 952 physicians and 715 pharmacists. This brings the total number of individual health providers with access to the electronic health record to 10,261.

Overall Quality of Health Care Received "Good" or "Excellent" Rating



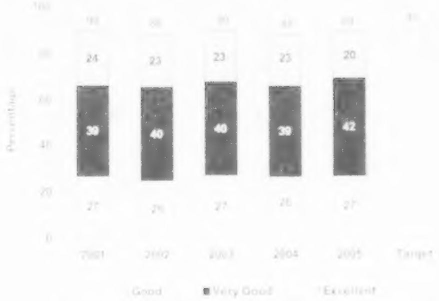
As part of an announced 10-Year Plan to Strengthen Health Care, First Ministers directed Health Ministers to establish a Ministerial Task Force to develop and implement a National Pharmaceuticals Strategy (NPS) and to report on progress by June 30, 2006. The NPS will include an action plan to develop, assess and identify cost options for catastrophic pharmaceutical coverage. All Albertans can join the government funded Alberta Blue Cross plan even if they have pre-existing conditions, thus protecting them from catastrophic drug costs.

High percentage reported "very easy" or "easy" access to physican and hospital services

Ease of Access to Physician and Hospital Services - Access to publicly funded health services is a fundamental principle of the health care system and a guarantee for health prevention and maintenance services. In a 2005 health survey, 86% of Albertans reported "very easy" or "easy" access to physician services, meeting the target to maintain 86% in 2005. An increase in the number of physicians in Alberta (from 5,482 in 2003-04 to 5,658 in 2004-05) has influenced the rating for this measure. 72% of Albertans reported "very easy" or "easy" access to hospital services, meeting the target to maintain 72% in 2005. Funding ensures the appropriate levels of health professionals, staff, equipment, medications and supplies. Through legislation

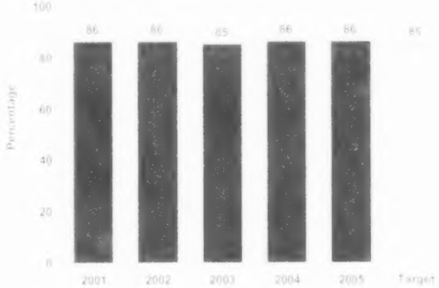
Self-Reported Health Status - Self-reported health status is a good indicator of the health and well-being of Albertans. It is accepted across Canada as a means of reporting on population health. It measures the degree to which Albertans feel healthy compared to others their own age. How people rate their own health is affected by a variety of factors including chronic disease, disability, temporary illness and mental health. Survey results indicate that in 2005, 89% of Albertans aged 18-64 years and 78% of Albertans aged 65 years and over rated their health as "good", "very good" or "excellent". This is very close to the targets of 90% and 80% respectively.

Self-Reported Health Status 18-64 Years



Overall Quality of Health Care Received - High quality health services are essential to the health system. The "overall quality of health care received" measure reflects the views of Albertans' overall quality of care. Survey results indicate that in 2005, 86% of Albertans continued to receive "excellent" or "good" quality health services, above the target to maintain 85%. To improve clinical and management decision-making, the electronic health record has been deployed to all health authorities and to 952 physicians and 715 pharmacists. This brings the total number of individual health providers with access to the electronic health record to 10,261.

Overall Quality of Health Care Received
"Good" or "Excellent" Rating



As part of an announced 10-Year Plan to Strengthen Health Care, First Ministers directed Health Ministers to establish a Ministerial Task Force to develop and implement a National Pharmaceuticals Strategy (NPS) and to report on progress by June 30, 2006. The NPS will include an action plan to develop, assess and identify cost options for catastrophic pharmaceutical coverage. All Albertans can join the government funded Alberta Blue Cross plan even if they have pre-existing conditions, thus protecting them from catastrophic drug costs.

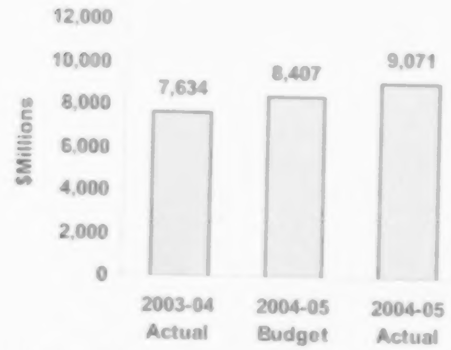
High percentage reported "very easy" or "easy" access to physican and hospital services

Ease of Access to Physician and Hospital Services - Access to publicly funded health services is a fundamental principle of the health care system and a guarantee for health prevention and maintenance services. In a 2005 health survey, 86% of Albertans reported "very easy" or "easy" access to physician services, meeting the target to maintain 86% in 2005. An increase in the number of physicians in Alberta (from 5,482 in 2003-04 to 5,658 in 2004-05) has influenced the rating for this measure. 72% of Albertans reported "very easy" or "easy" access to hospital services, meeting the target to maintain 72% in 2005. Funding ensures the appropriate levels of health professionals, staff, equipment, medications and supplies. Through legislation such as the *Health Professions Act* and the *Hospitals Act*, the government ensures that health professionals are highly skilled and professional in their interaction with patients and that health facilities are managed appropriately.

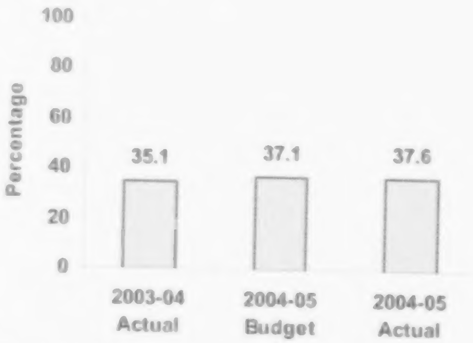
To address rural Alberta's shortage of medical manpower, two initiatives under the Rural Physician Action Plan are aimed at attracting more medical students and family physician residents to rural practice. The first initiative is a new bursary program that requires recipients to commit to five years of rural practice once they have graduated. The second is an expanded residency program that will allow more medical students to experience rural family medicine.

Expense by Goal

Goal One Expense



Percent of Total Expense



This goal includes spending of the following ministries: Finance, Health and Wellness, and Infrastructure and Transportation.

GOAL ONE

Albertans will be healthy

Measures

	2004-05 Targets	Current Results	Previous Results
Life Expectancy at Birth			
Years of life of females (international rank).	Life expectancy at birth to be among the top 10 countries in the world	82.3 (8th) (2003)	82.0 10th (2002)
Years of life for males (international rank).		77.5 (9th) (2003)	77.4 5th (tied) (2002)
Participation in Healthy Behaviour (biennial survey)			
Do not smoke	75%	77% (2003)	72% (2001)
Exercise regularly – "active" or "moderately active"	55%	56% (2003)	52% (2001)
Acceptable weight	50%	47% (2003)	49%r (2001)
Self-Reported Health Status			
Rating as "excellent", "very good" or "good" (18-64 years).	90% in 2005	89% (2005)	88% (2004)
Rating as "excellent", "very good" or "good" (65 years and over).	80% in 2005	78% (2005)	78% (2004)
Overall Quality of Health Care Received			
Rating as "excellent" or "good".	Maintain 85% in 2004	86% (2005)	86% (2004)
Ease of Access to Physician and Hospital Services			
Rating as "easy" or "very easy".			
Physician Services	Maintain 86% in 2005	86% (2005)	85% (2004)
Hospital Services	Maintain 72% in 2005	72% (2005)	73% (2004)

r Revised. Prior year Acceptable Weight restated as age range has changed from 20-64 years to 18 years and older.

Additional information on methodology and data for each of the measures is provided in the Appendix.

Albertans will be well prepared for lifelong learning and work

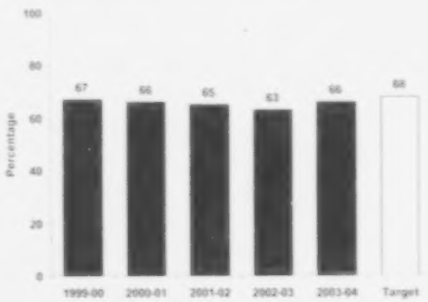
Performance Results

Quality lifelong learning and human resource development enables Albertans to become responsible, caring, creative, self-reliant and contributing members of society. In 2004-05, the Alberta government directed $6,384 million towards the preparation for lifelong learning and work.

Results in the learning system are cumulative and reflect years of investment of resources and effort by the province, school boards, post-secondary institutions, staff throughout the system, learners and their families. The results indicate that Alberta's learning system provides high quality learning opportunities for Albertans.

78% of Grade 9 students achieved the acceptable standard in language arts

Literacy and Numeracy Grade 9 - Part of helping Albertans become independent is ensuring that they have the knowledge and skills to participate in a changing economy and workforce. An essential component of this is having the necessary literacy and numeracy skills to function in society. Students who achieve the acceptable standard on Provincial Achievement Tests have the necessary skills to become literate and numerate adults. In recent years, improved curriculum and instructional resources have been implemented in core subjects to support student achievement in these areas. In 2003-04, 78% of students in Grade 9 achieved the acceptable standard in the language arts achievement test, almost meeting the target of 80% set for 2004-05. Also, in 2003-04, 66% of students in Grade 9 achieved the acceptable standard in the mathematics achievement test, almost meeting the target of 68% set for 2004-05. This result is similar to previous years' results.



Numeracy Grade 9 - Mathematics

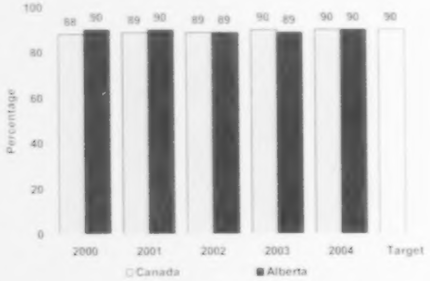
The Adult Literacy and Life Skills Survey, conducted in 2003, found that 58% of Canadian adults (ages 16-65) possessed literacy skills in the top three (of five) levels of the prose scale, indicating that they could meet most everyday reading requirements. This result is consistent with the findings of the International Adult Literacy Survey conducted in 1994. At the same time, the percentage of Canadians scoring at the lowest level decreased from 17% to 15%, a slight improvement.

In response to the report of Alberta's Commission on Learning, government provided $52 million to school boards in 2004-05 for the class size initiative, reducing average class sizes at all levels from the previous year. This funding is increasing to $110 million in 2005-06 to further reduce class sizes, and will continue in future years to maintain smaller class sizes, which will contribute to enhancing students' reading, writing and math skills.

Educational Attainment of Albertans Ages 25-34 - High school completion provides young people with entry-level knowledge and skills for employment and further study. Education programs in Alberta have demanding learning expectations for students. Completion of these programs is an indication that students have excelled.

Albertans will be well prepared for lifelong learning and work

High School Completion of Albertans Ages 25-34



High completion rates in recent years may reflect growing awareness among young Albertans of the importance of education for improving their success in the labour market, where jobs increasingly require higher level knowledge and skills. Survey results indicate that in 2004, 90% of Albertans ages 25-34 reported completing high school, consistent with recent years. The target for 2004-05 of 90% or higher was met. The province initiated a task force involving stakeholders to explore ways to improve high school completion rates and completed province-wide consultations. The next step is to develop a comprehensive plan to enable more young people to complete high school.

57% of Albertans ages 25-34 reported completing post-secondary education

Post-secondary completion indicates mastery of higher-level skills for career success. In 2004, survey results indicate that 57% of Albertans ages 25-34 reported completing post-secondary education, the same percentage as in the previous year. The percentage completing post-secondary is below the target of 60%; however, since 1995, the rate has increased substantially from 51%. A study has been undertaken to determine the reasons Alberta post-secondary students do not complete their programs. Research into reasons for non-completion reported in other jurisdictions is being conducted to guide the development of a survey of Alberta non-completers.

73% of Aboriginal Albertans ages 25-34 reported completing high school while 41% reported completing post-secondary education

Educational Attainment of Aboriginal Albertans Ages 25-34 - Survey results indicate that in 2004, 73% of Aboriginal Albertans ages 25-34 reported completing high school and 41% reported completing post-secondary education. These results are similar to the prior year. To establish baseline data, the Government of Alberta has funded the expansion of the Statistics Canada Labour Force Survey to obtain regular and reliable information on employment and educational attainment of Aboriginal Albertans living off-reserve.

In addition to the task force on high school completion, Alberta has increased funding for Aboriginal students in the K-12 system through the Renewed Funding Framework, and the federal government is reviewing its funding of band schools. This increased funding for Aboriginal education will contribute to improved high school completion rates for Aboriginal Albertans in future years.

The province is developing an integrated provincial strategy to increase post-secondary completion rates of learners, inclusive of increased completion by Aboriginal peoples. Also, a strategy is being developed to increase participation in learning opportunities by Aboriginal students. An Alberta Aboriginal Apprenticeship Program has been established to increase the number of Aboriginals pursuing training through this route.

High employer satisfaction with graduates

Skill Development - To remain competitive in the global economy, Alberta businesses and industries require a highly skilled and productive work force. In 2003-04, survey results indicate that 89% of Alberta employers were satisfied overall with the skills and quality of work of recent high school and post-secondary graduates from the Alberta learning system, not significantly different from the results in 2001-02.

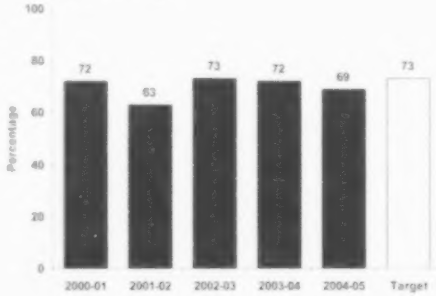
Employer satisfaction with recent graduates indicates that Alberta's learning system is meeting industry's need for skilled workers, which supports the government's overall policy of sustaining economic progress and competitiveness in Alberta. Alberta's learning system responds to employer needs by providing up-to-date programs and expanding programs in high demand fields. Economic conditions in Alberta may influence employers' perceptions.

The province reviews curriculum standards on a regular basis, and maintains rigorous high school completion requirements, to ensure that students attain high skill levels in the K-12 system. Learner Career Pathways is being implemented to improve opportunities for learners to explore career options. As well, the province is working to improve success for learners by enhancing transitions between educational programs and work.

The Alberta government has established the Leading in Learning and Skilled Workforce Initiative to address the increased demand for skilled labour in light of sustained economic growth in Alberta. Strategies were adopted to encourage increased industry participation and investment in the apprenticeship and industry training system and to ensure the apprenticeship and industry training system is responsive to the needs of industry. The new *Post-Secondary Learning Act* now allows colleges and technical institutions to participate in applied research, providing another avenue to increase skill levels of all graduates.

Lifelong Learning - Albertans are encouraged to keep learning throughout their lives and to realize their goals. In 2004-05, 69% of the public surveyed were satisfied that Albertans are able to access the education or training they want, below the target of 73%. This result is not significantly different from results in previous years, with the exception of 2001-02.

Lifelong Learning



29% of Albertans aged 25+ indicated participation in credit and non-credit courses

Adult Participation in Learning - Adult Albertans were surveyed to determine if they have taken some education or training in the past 12 months. In 2004-05, 29% of Albertans aged 25+ reported that they had participated in credit and non-credit courses, slightly below the target of 32%. This could possibly reflect the buoyant Alberta economy and the resulting positive employment prospects for most Albertans. Strategies are being developed to provide opportunities in local communities for adults to return to learning to meet their personal learning and employment goals. Government has announced the commitment to create 60,000 additional spaces for adult learners by 2020. These will be distributed across all credential types, greatly increasing access to learning opportunities.

Strategies are being developed to increase participation in learning opportunities by Aboriginal peoples, as well as immigrants and other underrepresented groups. A strategy to improve access for Albertans to learning opportunities by enhancing transitions into and within the advanced education system is also under development.

High percentage surveyed were employed post-intervention

Participants Employed Post-Intervention - The Government of Alberta provides high quality labour market employment and training programs for Albertans seeking education and training in a wide variety of areas including academic upgrading, basic skills training, first nations training to employment, occupational training, self-employment training, disability related employment supports, and workplace training. These programs and services are provided to encourage successful integration into the labour market. Of those who participated in these programs and services, 81% surveyed were employed post-intervention in 2004-05, exceeding the target of 70%. With Alberta's employment rate at 70.2% (highest among all the provinces in 2004), there were many opportunities to participate in the labour market.

Several options to assist Albertans who face barriers to employment were developed and implemented. They include the support to First Nations people with tuition, books and living allowances and continued support to the Aboriginal Industry Advisory Group, which engages industry leaders in discussions on issues and strategies related to hiring Aboriginals with less than grade twelve credentials. As well, new labour market partnerships were established to promote employment for persons with disabilities.

87% surveyed confirmed their training prepared them for future training or employment

Employment Preparedness - The Government's adult training and employment programs assist Albertans in becoming more responsive to the skill requirements of the labour market. In 2004-05, 87% of program participants surveyed confirmed their training prepared them for future training or employment. This favourable result is attributable to the combination of a strong career and labour market information service for learners, a comprehensive and balanced set of basic skills training programs closely linked to the labour market, and an increased emphasis on occupational training.

To support the development and maintenance of a skilled workforce and to address labour shortages and skills deficits in Alberta, the Skills Investment Strategy strengthened programming as almost $270 million was spent to train individuals, including funding for apprentices.

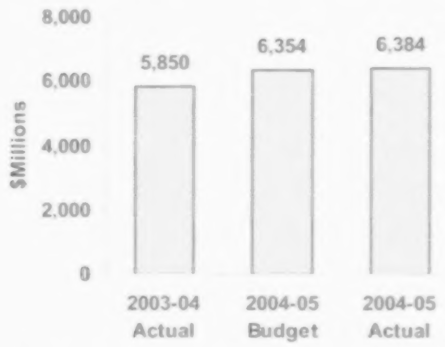
External factors that affect the results for the "participants employed post-intervention" measure and the "employment preparedness" measure are that clients with higher education and more recent and closer attachment to the labour force can expect to have better employment outcomes.

GOAL TWO

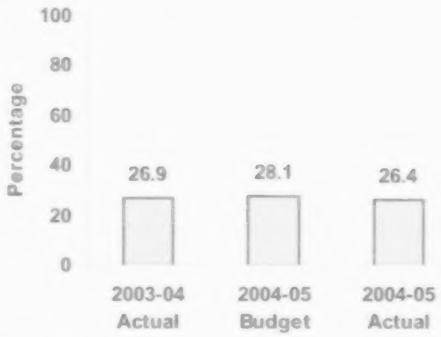
Albertans will be well prepared for lifelong learning and work

Expense by Goal

Goal Two Expense



Percent of Total Expense



This goal includes spending of the following ministries: Advanced Education, Education, Human Resources and Employment, and Infrastructure and Transportation.

Measures

	2004-05 Targets	Current Results	Previous Results
Literacy and Numeracy Levels Grade 9 - Percentage of all students who achieve the acceptable standard on Provincial Achievement Tests in language arts.	80%	78% (2003-04)	78% (2002-03)
Percentage of all students who achieve the acceptable standard on Provincial Achievement Tests in math.	68%	66% (2003-04)	63% (2002-03)
Educational Attainment of Albertans Ages 25-34 High school completion.	90% or higher	90% (2004)	89% (2003)
Post-secondary completion.	60%	57% (2004)	57% (2003)
Lifelong Learning Public satisfaction that adult Albertans have access to lifelong learning.	73%	69% (2004-05)	72% (2003-04)
Adult Participation in Learning Participation rate of Albertans 25+ in credit and non-credit courses.	32%	29% (2004-05)	28% (2003-04)
Participants Employed Post-Intervention Percentage of participants employed as a result of Work Foundations and Training for Work programs and services.	70%	81% (2004-05)	79% (2003-04)

Note: Targets have not been established for the following measures: **Educational Attainment of Aboriginal Albertans Ages 25-34** and **Employment Preparedness**. The **Skill Development** measure is not included in the table as this is based on a biennial survey; therefore, no target was set for 2004-05. New survey results will be available in 2005-06.

Additional information on methodology and data for each of the measures is provided in the Appendix.

GOAL THREE

Alberta's children and youth will be supported in reaching their potential

Performance Results

Families are the foundation to nurture the development of children and youth. Although parents have the primary responsibility of raising their children, communities, organizations, schools, businesses and governments all have supporting roles to play in helping to meet the needs of Alberta's children and youth. In 2004-05, the Alberta government directed $760 million towards the well-being of children.

Majority of Alberta's children were living above the Market Basket Measure low-income thresholds

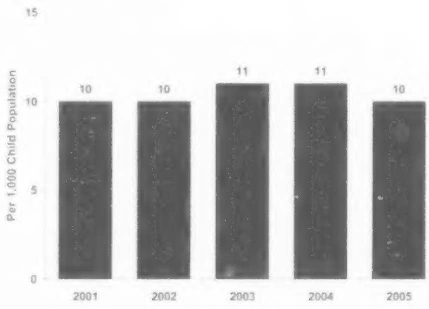
Well-Being of Children - To promote children reaching their potential, the Alberta government has programs and services that are designed to support Albertans in meeting their children's needs. Children living in low-income families may qualify for various government programs and services such as the premium-free health, dental and optical services, income support for families, child support services, childcare subsidies and recreational opportunities.

The Market Basket Measure (MBM) determines the cost of a "market basket" of specified goods and services. In 2000, 85% of Alberta's children were living above the MBM low-income thresholds. Alberta ranked second in the percentage of children living above the low-income thresholds compared to other provinces. This result meets the target to be among the top three provinces.

Children in Care - As a means of keeping a child with their family, vulnerable children and families are considered for or provided with, services and supports through programs offered by the Provincial Child, Youth and Family Enhancement Program (formerly the Child Welfare Program). Sometimes it is necessary to temporarily or permanently remove a child from their family. In these cases, the child is placed in the care of the government and the Director, *Child, Youth and Family Enhancement Act*, assumes guardianship or custody of the child.

Government intervention to ensure safe, healthy development of children at-risk contributes to allowing all Alberta's children opportunities to reach their potential as individuals and citizens. The number of children in care of the government has remained relatively stable over the last five years. In 2005, for every 1,000 children in Alberta, aged 0-17 years, 10 children were under guardianship or custody of the government.

Children in Care



In addition to the protection of children, the *Child, Youth and Family Enhancement Act* also emphasizes increasing services to families before they reach crisis and more quickly establishing permanent placements for children in care of the government. This could impact results of this measure in the future.

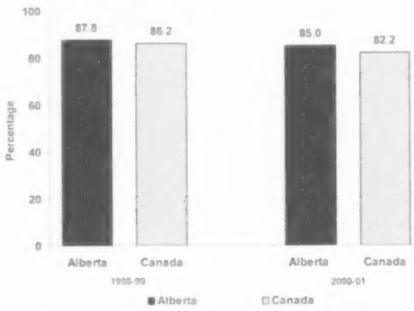
Social and Emotional Development - The ability of children to fully reach their potential is influenced by what happens during their early years of development. Early experiences can impact the development of competencies and coping skills needed in adulthood. Children's development of appropriate behaviour is linked to their emotional-social wellness. This measure is expressed in two parts: percentage of children exhibiting age-appropriate personal-social behaviours; and percentage of children not displaying attributes associated with emotional problems or anxiety (i.e., children free of significant behavioural impediments for healthy emotional development).

85.9% of Alberta children, aged 0-3 exhibited aged appropriate personal-social behaviours

Measuring children's social development provides an indication of their level of emotional-social wellness as a determinant of ability to reach their potential as individuals and citizens. Survey results indicate that in 2000-01, 85.9% of Alberta children, aged zero to three, exhibited aged appropriate personal-social behaviours. The comparable national result was 84.0%. The target for this measure was to maintain or improve Alberta's result relative to the national average. The target was met. Alberta's result was 1.9% higher than the national average.

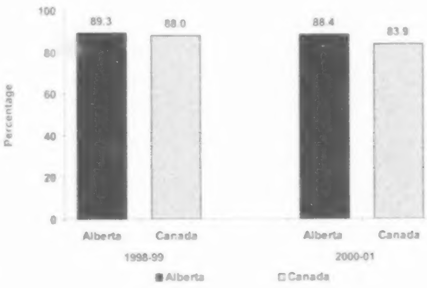
Measuring children's emotional development also provides an indication of the level of their emotional-social wellness as a determinant of ability to reach their potential as individuals and citizens. In 2000-01, 85.0% of Alberta children, age two to five, did not display attributes associated with emotional problems or anxiety. Although this result is slightly less than the previous survey year, it continues to be higher than the national results. The target for this measure was to maintain or improve Alberta's result relative to the national average. The target was met. For the 2000-01 survey year, Alberta's result was 2.8% higher than the national result, an increase over a difference of 1.6% in 1998-99.

Emotional Development



Parenting Skills - Parenting style is one of the primary factors affecting children's outcomes, contributing more to the well-being of children than the socio-economic status of the family or the community in which the family lives. Positive parent-child interaction is a contributing factor to a positive parenting style in the early years of life.

Parenting Skills

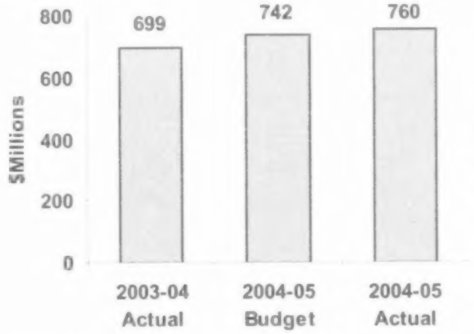


To support parents in this important role, a provincial network of Parent Link Centres has been established to provide parents with the necessary support to ensure that children develop to their potential.

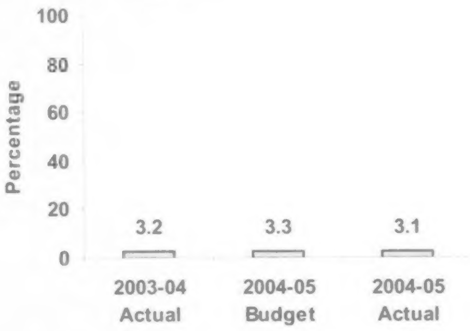
Positive parent interaction is a predictor of pro-social behaviours in children. This measure, therefore, provides an indication of children's behavioural disposition toward achieving their full potential. In 2000-01, 88.4% of Alberta children, from birth to age five, were receiving positive interaction from their parents. Although this result is slightly less than the previous survey year, it continues to be higher than the national average. The target for this measure was to maintain or improve Alberta's result relative to the national average. The target was met. For the 2000-01 survey year, Alberta's result was 4.5% higher than the national result, an increase over a difference of 1.3% in 1998-99.

Expense by Goal

Goal Three Expense



Percent of Total Expense



This goal includes spending of the following ministry: Children's Services.

Measures

	2004-05 Targets	Current Results	Previous Results
Social and Emotional Development Percentage of Alberta children demonstrating healthy social and emotional development	Maintain or improve Alberta's result relative to the national average		
Social development		Alberta: 85.9% National: 84.0% (2000-01)	-
Emotional development		Alberta: 85.0% National: 82.2% (2000-01)	Alberta: 87.8% National: 86.2% (1998-99)
Parenting Skills Percentage of Alberta children, aged 0-5, whose parents are interacting positively with them.	Maintain or improve Alberta's result relative to the national average	Alberta: 88.4% National 83.9% (2000-01)	Alberta: 89.3% National: 88.0% (1998-99)

Note: The **Well-being of Children** measure is not included in the table as current results were not available for comparison to the 2004-05 target (to be among the top three provinces). The **Children in Care** measure is not included in the table, as a target had not been established.

Additional information on methodology and data for each of the measures is provided in the Appendix.

GOAL FOUR 4

Albertans will be self-reliant and those unable to provide for their basic needs will receive help

Performance Results

Government has a role in building an accessible and inclusive society. Communities, organizations, and governments all have roles in ensuring that low-income Albertans, including seniors, unable to provide for their basic needs will receive help. Disability-related supports and services are provided to assist adult Albertans with disabilities so that they can be contributing members of Alberta communities. In 2004-05, the Alberta government directed $1,865 million to assist Albertans to become self-reliant and those unable to provide for their basic needs.

Majority of Albertans were living above the Market Basket Measure low-income thresholds

Economic Status of Albertans - The Market Basket Measure (MBM) is a measure of low income, which considers the cost of a specific basket of goods and services in different communities across Canada. With Alberta's strong economy and the lowest unemployment rate in Canada (4.6% in 2004), Albertans have had increasing opportunities to participate in the economy and to access the goods and services they need. In 2000, 88% of Albertans were living above the MBM low-income thresholds. Tied with Quebec, Alberta has the second highest percentage of people living above the low-income thresholds compared to other provinces. This result meets the target to be among the top three provinces.

The Government of Alberta encourages Albertans to earn income and become independent. The government ensures that Alberta has a skilled workforce by helping people overcome their skills deficits by providing services to help individuals prepare for, train for, find and keep employment. Interventions are specially targeted toward disadvantaged Albertans, including youth, Aboriginal people, immigrants and persons with disabilities.

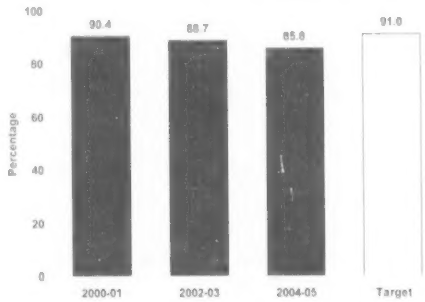
Results include: increased income qualifying levels by $2,000 for each family size for the Alberta Child Health Benefit and the Alberta Adult Health Benefit programs, which provide health benefits and services. Further, health benefits were extended to 18 and 19 year olds who are living with their parents and attending high school and were also given to over 7,600 provincially funded full-time learners. In addition, the government supported over 1,600 families in establishing safe environments after having escaped a situation involving family violence. As well, the Income Supports and Benefits Regulation was implemented and introduced additional benefits through Alberta Works (e.g., benefits for qualifying clients temporarily not expected to work were increased by $50 per month, a flat-rate shelter policy for all Income Support clients was brought in). As well, new agreements were completed whereby Alberta Aboriginal Bands deliver Income Support benefits to their off-reserve members.

99% of seniors were provided an opportunity to apply for the Alberta Seniors Benefit

Alberta Seniors Benefit - Many retired seniors who live on a fixed or low-income are challenged to meet the rising costs of food, housing and health related expenses. The government ensures that seniors are provided with an opportunity to apply for the Alberta Seniors Benefit. In 2004-05, 99% of seniors were provided the opportunity to apply. Since the Alberta Seniors Benefit is a voluntary program, seniors have a choice of whether they would like to apply. To improve income-based seniors' benefits that are responsive to changing needs, the Alberta Seniors Benefit program introduced enhanced benefits, resulting in more seniors becoming eligible for benefits, and eligible seniors receiving increased assistance. Enhancements coincided with full health-care premium exemption for all seniors.

Persons with Developmental Disabilities (PDD) Funded Services - PDD Boards provide adults with intellectual disabilities with living, employment and community access supports, which assist them to participate in the social, economic and cultural life of the province. In 2004-05, 85.8% of families/guardians (public and private) reported overall satisfaction with the PDD funded services received by the person to whom they provide guardianship, below the target of 91%. Survey results may be influenced by economic factors. In their comments, survey respondents linked barriers to community living, such as lack of affordable, accessible housing and transportation, to overall levels of satisfaction for their family members with intellectual disabilities.

Persons with Developmental Disabilities



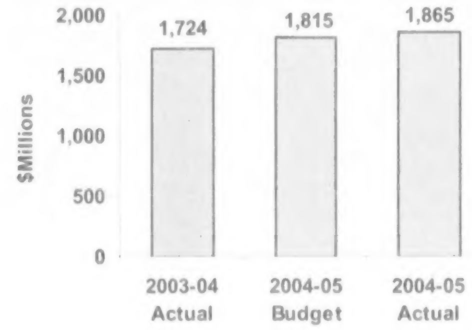
The PDD Provincial Board, in collaboration with the six PDD Community Boards, completed the second year of a provincial Community Capacity Building Initiative. PDD funded a range of applicants, including advocacy groups, post-secondary institutions, libraries, sports and service clubs and other organizations for the purpose of developing innovative local projects designed to enhance a community's capacity to welcome and include persons with intellectual disabilities. In the last quarter of the 2004-05 fiscal year, the Provincial Board completed a preliminary evaluation of the Initiative to assess impacts and to determine how to continue to improve policy and practice to support community capacity building as a core business of the Provincial Board.

GOAL FOUR 4

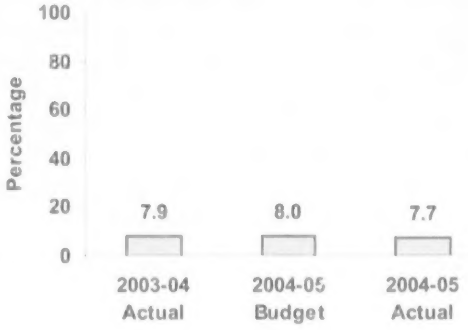
Albertans will be self-reliant and those unable to provide for their basic needs will receive help

Expense by Goal

Goal Four Expense



Percent of Total Expense



This goal includes spending of the following ministries: Human Resources and Employment, Infrastructure and Transportation, Justice, Seniors and Community Supports, and Solicitor General.

Measures

	2004-05 Targets	Current Results	Previous Results
Persons with Developmental Disabilities (PDD) (biennial survey) – Satisfaction, by families/guardians of persons with developmental disabilities, with PDD-funded services.	91%	85.8% (2004-05)	88.7% (2002-03)

Note: The **Economic Status of Albertans** measure is not included in the table as current results were not available for comparison to the 2004-05 target (to be among the top three provinces). The **Alberta Seniors Benefit** measure is not included in the table as a target was not established in the published *2004-07 Government Business Plan*. In 2004, the ministry of Seniors and Community Supports had set a target of 100% for 2004-05.

Additional information on methodology and data for each of the measures is provided in the Appendix.

GOAL FIVE 5

Aboriginal communities and people in Alberta will have improved social and economic circumstances

Performance Results

Section 35 of the Constitution of Canada recognizes the Aboriginal people of Canada and affirms existing Aboriginal and Treaty rights. The province has developed ongoing relations with Aboriginal governments, organizations and communities in Alberta. In 2004-05, the Alberta government directed $36 million to address Aboriginal issues not addressed under other government goals.

This goal addresses the gap in social and economic circumstances between Aboriginal and non-Aboriginal people in Alberta. The goal is supported by the government-wide Aboriginal Policy Framework, which aims to improve the well-being and self-reliance of Aboriginal people and communities and to clarify federal/provincial/Aboriginal roles and responsibilities. The cross-ministry Aboriginal Policy Initiative is one means by which Alberta ministries coordinate initiatives to enhance Aboriginal well-being and self-reliance.

Proportion of income received by Aboriginal people from government transfers is decreasing

Source of Income - Data from the 2001 Canada Census indicate that the proportion of income received by Aboriginal people from government transfers is decreasing. Differences in the proportion of income received from government transfers between Aboriginal and non-Aboriginal people decreased from 7% in 1995 to 5% in 2000.

More Aboriginal people are participating in the economy

Participation in the Economy (difference in participation rates of Aboriginal/non-Aboriginal people) - Data from the 2001 Canada Census show that more Aboriginal people are participating in the economy. The difference in economic participation rates for Aboriginal people compared to non-Aboriginal people decreased from 6.9% in 1996 to 5.3% in 2001.

Participation in the Economy (by Aboriginal component group and gender) - Baseline data from the first two years of the Aboriginal Labour Force Survey suggest that Aboriginal people off-reserve are participating in the economy at virtually the same rate as non-Aboriginal people. However, Aboriginal people are experiencing unemployment rates approximately 5% higher than non-Aboriginal people.

The participation rate for Aboriginal people is expected to equal or exceed the rate for non-Aboriginal people due to the larger numbers of working-age people in the Aboriginal population. This includes Aboriginal people living off-reserve as well as those moving off-reserve to pursue educational and/or employment opportunities.

Unemployment data suggest that Aboriginal people continue to face barriers to full participation in the economy. These barriers include lower levels of educational attainment, proximity to employment opportunities and lack of social supports required to secure ongoing employment. Unemployment data for Aboriginal component groups indicate that North American Indians are having the most difficulty accessing employment. Insufficient data is available to determine trends based on gender.

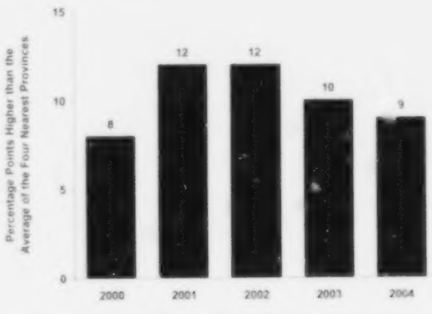
Aboriginal communities and people in Alberta will have improved social and economic circumstances

Economic Participation Rates (2004-05)		Unemployment Rates (2004-05)	
Total off-reserve Population		Total off-reserve Population	
non-Aboriginal	73.5%	non-Aboriginal	4.2%
Aboriginal	70.4%	Aboriginal	9.6%
North American Indian	66.6%	North American Indian	12.4%
Métis	72.8%	Métis	8.0%
Males		Males	
non-Aboriginal	79.6%	non-Aboriginal	4.1%
Aboriginal	76.3%	Aboriginal	9.7%
North American Indian	73.6%	North American Indian	10.4%
Métis	77.9%	Métis	9.6%
Females		Females	
non-Aboriginal	67.0%	non-Aboriginal	4.3%
Aboriginal	64.8%	Aboriginal	9.5%
North American Indian	59.7%	North American Indian	14.6%
Métis	67.8%	Métis	6.6%

Alberta is committed to increasing the participation of Aboriginal people in the economy. Implementation of the Aboriginal Policy Framework has focused more attention on this priority. Government has increased its efforts to work with industry to address skill shortages, align training with labour market needs and promote partnerships with Aboriginal communities, organizations and businesses. The province is also promoting better coordination of existing programs with other orders of government and encouraging better communication between Aboriginal communities and industry. Aboriginal people will play a key role in the province's future labour market. Continued effort will be required to support individuals to successfully enter the labour market and to encourage Aboriginal communities to become full participants in the Alberta economy.

Aboriginal Affairs - Public approval ratings reflect Albertans' perceptions of how well the provincial government is performing on Aboriginal issues. In 2004, a national opinion poll survey indicated that the approval rating was 9% higher than the average of the four nearest provinces (British Colombia, Saskatchewan, Manitoba, and Ontario), meeting the target to be higher than the average of the four nearest provinces. Although ratings have dropped slightly since 2003, Alberta's ratings continued to exceed those of the four nearest provinces. The increasing public profile of Aboriginal issues, especially in western Canada, may be contributing to results for this measure.

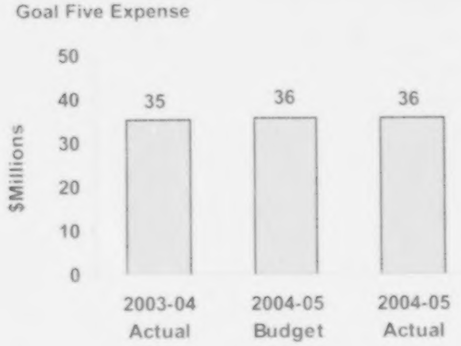
Aboriginal Affairs

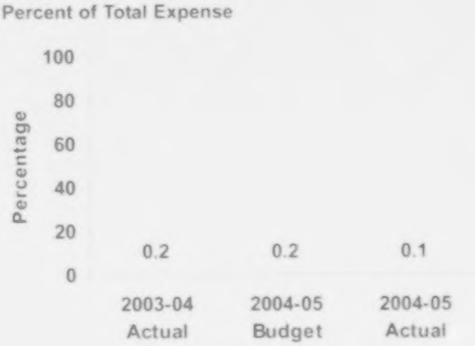


GOAL FIVE 5

Aboriginal communities and people in Alberta will have improved social and economic circumstances

Expense by Goal





This goal includes spending of the following ministry: Aboriginal Affairs and Northern Development.

	2004-05 Targets	Current Results	Previous Results
Source of Income Difference in proportion of income received from government transfers by Aboriginal people compared to non-Aboriginal people.	Reduce the difference in the proportion of income received from government transfers by Aboriginal people compared to non-Aboriginal people to 4% by 2006		
Aboriginal		14% (2000)	18% (1995)
Non-Aboriginal		9% (2000)	11% (1995)
Difference		5% (2000)	7% (1995)
Participation In The Economy Difference in participation rates of Aboriginal people and non-Aboriginal people in the economy.	Reduce the difference in the participation rates of Aboriginal people and non-Aboriginal people to 4% by 2006		
Aboriginal		68.1% (2001)	65.8% (1996)
Non-Aboriginal		73.4% (2001)	72.7% (1996)
Difference		5.3% (2001)	6.9% (1996)
Aboriginal Affairs Public approval rating on Aboriginal issues compared to the average of the four nearest provinces.	Higher than the average of the four nearest provinces (British Columbia, Saskatchewan, Manitoba, Ontario)	9% higher than the average of the four nearest provinces (2004)	10% higher than the average of the four nearest provinces (2003)

The **Participation in the Economy** (by Aboriginal component group and gender) measure is not included in the table, as a target was not established.

Additional information on methodology and data for each of the measures is provided in the Appendix.

GOAL SIX 6

Alberta will have an effective, responsive and well-managed local government sector

Performance Results

Municipalities provide a broad range of services to Albertans where they live, work and play. At the core of these services is a partnership between the province and Alberta's municipalities that provides for open, effective, accountable, and well-managed local governments. The Alberta government assists municipalities by providing policies and programs that encourage the development of strong, vibrant communities. Some of this assistance comes in the form of funding, which is provided to a variety of local government entities throughout the province. In 2004-05, the provincial government directed $385 million to promote an effective, responsive, and well-managed local government sector in Alberta.

Provincial and municipal efforts coordinated

The province recognizes that a coordinated effort is required to ensure that services are delivered effectively and efficiently. The Minister's Provincial/Municipal Council on Roles, Responsibilities and Resources in the 21st Century (3Rs Council) has been a key priority in working with municipal partners to refine the roles and responsibilities of municipal governments and their relationships with the provincial government.

ME first! program supports energy efficiency and conservation by municipalities

The government continued to support the ME first! program by providing interest-free loans to municipalities through the Alberta Capital Finance Authority. These loans help communities address the challenges of climate change by supporting energy efficiency and conservation. Loans have been used to retrofit existing facilities, such as arenas and swimming pools. The money saved through reduced operating costs is used to pay back the loans. In 2004-05, the program provided $8.8 million to 23 municipalities for 25 energy efficiency projects.

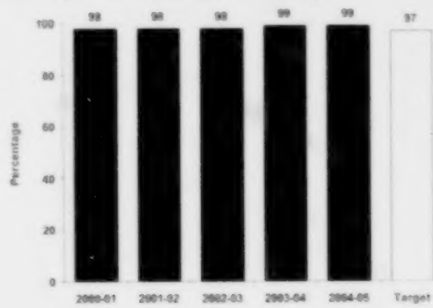
The provincial government promotes regional cooperation among local communities to encourage innovative partnerships that enhance local service delivery and reduce costs for residents. The Regional Partnerships Initiative was established in 1999 to foster regional cooperation among groups with a minimum of three partner municipalities and, potentially, other organizations. In 2004-05, 12 partnerships were approved, for a total of $1.3 million in funding.

Regional Partnership Initiative promotes cooperation to enhance local service delivery

The Calgary Regional Partnership represents 13 municipalities with a total population of over one million. The partnership received an implementation grant for a variety of shared service-delivery projects. Some of these projects include a regional transportation needs study, the development of a First Nations protocol, the implementation of a regional emergency communications strategy, and a regional sustainability study.

Municipal Financial Accountability - The overwhelming majority of municipalities continued to meet established financial accountability standards. In 2004-05, 99% of Alberta municipalities met the legislated criteria for financial accountability, the same level as the previous year and exceeding the target of 97%. The results reported are from the calendar year prior to the fiscal year in which they are reported, so for the 2004-05 reporting period, the data for the results are from the 2003 calendar year.

Municipal Financial Accountability



GOAL SIX 6

Alberta will have an effective, responsive and well-managed local government sector

79% of Albertans satisfied with municipal governments

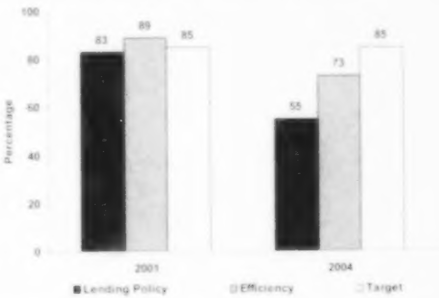
Albertans' Satisfaction with their Local Governments - Albertans experienced continued satisfaction, for the most part, with their municipal governments. In a 2004-05 survey, 79% of Albertans were satisfied with their municipal governments, which is above the target of 75% and approximately the same as the previous year's survey.

Alberta Capital Finance Authority loan rates lowest for 3 of 4 cases compared

Local Authorities' Cost of Borrowing from Alberta Capital Finance Authority (ACFA) - The ACFA aims to offer the lowest cost of borrowing to local authorities in Canada. The ACFA compares Alberta local authorities' indicative loan rates to the cost of borrowing of actual debt issues of the Municipal Finance Authority of British Columbia (MFABC) and the City of Toronto. The target was met for three of the four cases compared. The 20-year rate for MFABC was 3.4 basis points lower than the ACFA rate for that term.

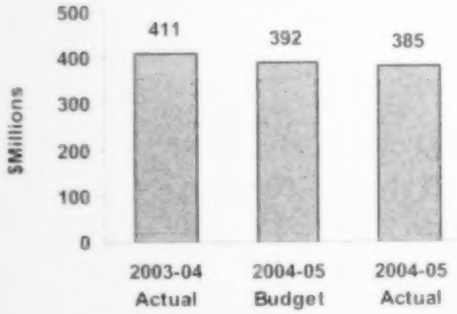
Local Authorities' Satisfaction with Alberta Capital Finance Authority - A biennial survey has been conducted in the past to measure shareholder satisfaction with ACFA's lending policies and efficiency levels. However, due to significant changes in lending policies, the survey that was last conducted in 2001 was rescheduled for September 2004 to measure the impact of the changes on stakeholder satisfaction. ACFA received a satisfaction rating of 55% for its new lending policies and a rating of 73% from its stakeholders for satisfaction with its efficiency. For both survey results, the 85% targets for 2004-05 were not met and satisfaction was lower than the results of the 2001 survey. The drop in satisfaction may be due to stakeholders having to adjust to ACFA's new policies.

Local Authorities' Satisfaction with ACFA

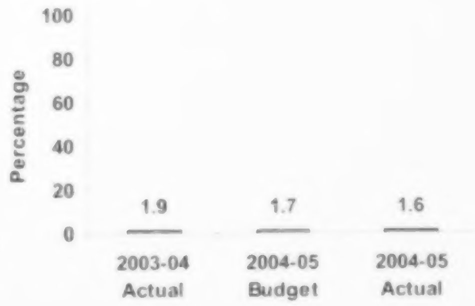


Expense by Goal

Goal Six Expense



Percent of Total Expense



This goal includes spending of the following ministries: Finance and Municipal Affairs.

GOAL SIX 6

Alberta will have an effective, responsive and well-managed local government sector

Measures

	2004-05 Targets	Current Results	Previous Results
Municipal Financial Accountability - Municipalities meeting the provincial criteria of financial accountability.	97%	99% (2003)	99% (2002)*
Albertans' Satisfaction with their Local Governments - Percentage satisfied.	75%	79.0% (2004-05)	78.8% (2003-04)
Local Authorities' Cost of Borrowing from ACFA** - Rank of borrowing costs relative to borrowing costs of other Canadian municipalities within the viability of the Corporation.	Lowest	Met for 3 of 4 cases compared MFABC*** 20-year rate was 3.4 basis points below ACFA 20-year rate (2004)	****
Local Authorities' Satisfaction with ACFA** - Percentage of local authorities satisfied or very satisfied with:			
Lending policies of the ACFA	85%	55%	83%
Efficiency of the ACFA (biennial survey).	85%	73% (2004)	89% (2001)

* Calendar year restated to reflect correction of year presented in *2003-04 Measuring Up* report. Results are reported on a calendar year basis, which is the fiscal year for the municipalities. The most recently available data for the results are from the calendar year prior to the fiscal year in which they are reported, so for the 2004-05 reporting period, the data for the results are from the 2003 calendar year.

** Alberta Capital Finance Authority.

*** Municipal Finance Authority of British Columbia.

**** Previous results are not comparable to the current results due to a change in methodology.

Additional information on methodology and data for each of the measures is provided in the Appendix.

GOAL SEVEN

Alberta will have a prosperous economy

Performance Results

Sustainable economic growth and prosperity are essential to maintaining and improving Albertans' overall quality of life. In 2004-05, the Alberta government directed $3,206 million towards the promotion of a prosperous economy.

Securing Tomorrow's Prosperity, and Accelerating Innovation in Alberta directed at sustaining economic growth

Under the value-added strategy, Securing Tomorrow's Prosperity, the government promotes value-added diversification and global competitiveness to sustain the momentum of Alberta's economy. Initiatives include ensuring a skilled workforce, building the province's innovation capacity, strengthening small and medium-sized enterprises, and encouraging industry sectors with the greatest potential for value-added growth.

The government's new medium-term strategy, Accelerating Innovation in Alberta, addresses the need for facilitation of investment in early stage business ventures, a competitive tax environment, and a focused approach to applied research and technology commercialization and adoption.

Agri-Food Discovery Place research facility focused on agri-food industry

In 2004, construction of Agri-Food Discovery Place (AFDP) was undertaken. AFDP is a scientific facility, designed to focus research and development on the creation, transfer and commercialization of innovations in areas important to Alberta. The facility, which is slated to open in the Fall of 2005, will explore new uses for Alberta's crops, find better ways to protect Albertans through a safer meat supply, and expand the value-added potential of the agri-food industry.

Agrivalue Processing Business Incubator construction initiated

In October 2004, construction on the Agrivalue Processing Business Incubator was initiated. The facility will provide processing space, shared administrative services and facilities, shared storage space, and mentoring services to developing businesses and new business ventures. The $21.2 million project is the first food processing business incubator in the country, and is a unique partnership between the Government of Alberta and AVAC Ltd, a corporation created to facilitate the linkage of knowledge and investment with science and enterprise to help grow Alberta's agrivalue industry.

Cottage Winery Policy promotes fruit industry competitiveness

The Cottage Winery Policy was released February 1, 2005, providing new opportunities for the fruit industry to produce high-end, value-added products. This initiative supports small and medium farm-based enterprises in the rural areas, and will enhance Alberta's competitiveness.

4% Tourism Levy replaced 5% Hotel Room Tax

The government is dedicated to promoting Alberta as a premier tourist destination and to enhancing Alberta's competitiveness with other jurisdictions, including other provinces. In 2004 the government announced that effective April 1, 2005 the 5% Hotel Room Tax would be replaced by a 4% Tourism Levy, with the funds used for tourism marketing and development.

Partnerships established for workforce planning and development

A skilled and productive workforce is essential for enhancing Alberta's competitive advantage and prosperity. The government has worked to develop partnerships that focus on skills shortages, workforce planning, workforce productivity and workplace relationships. The government has supported the development of the Comprehensive Agreement on Trade, Investment and Mobility between British Columbia and Alberta. Alberta has led work within the Forum of Labour Market Ministers to develop a multilateral framework to provide increased federal funding to provinces and territories for labour market development. The government has also partnered with the

Construction Owners Association to actively pursue attraction and retention of a viable and diverse workforce in Alberta.

Provincial Nominee Program addresses skills shortages

The continuing Provincial Nominee Program targets and accelerates the immigration of workers with specialized skills to areas where there are shortages in Alberta. In addition, the government has undertaken missions to showcase Alberta opportunities at emigration trade shows in Europe, and delivered foreign worker readiness seminars to Alberta employers.

Collaboration to bring Dell Inc. to Edmonton

The government promotes Alberta as a preferred location for new and expanded investment by high-profile companies that will bring knowledge-based jobs to the province. In collaboration with Edmonton Economic Development Corporation, Northern Alberta Institute of Technology, and the Canadian Consulate General in Dallas, the province persuaded Dell Inc. to locate a 500-person business service centre in Edmonton, which was subsequently increased to a workforce of 750.

Long-term initiatives to address market changes due to bovine spongiform encephalopathy impacts

Alberta continues to deal with the after-effects of border closures related to bovine spongiform encephalopathy (BSE). In 2004, beef producers, processors and government discussed long-term strategies to address changing market conditions. Alberta Beef - Focus on the Future: A Strategic Framework for Repositioning the Industry, published in April 2004, identified three key priorities that must be addressed to respond to BSE: market access; building capacity; and increasing consumer confidence. Initiatives undertaken include: $7 million for a Beef Product and Market Development Program providing a total of 45 grants to industry in support of market-driven initiatives that use meat from animals older than 30 months of age; $14 million for the construction of a Level 3 Containment Laboratory, which will allow research to be conducted on diseases such as BSE; and $30-million to create a Beef Market Development and Retention Fund to help the beef industry find more export markets and increase sales in existing ones.

Innovation showcased at Innovative Manufacturing Week

The government promotes the building of the province's innovation system and knowledge-based industries. It partnered with industry associations, economic development agencies and other manufacturing industry stakeholders to develop and deliver Alberta's Innovative Manufacturing Week that featured 19 industry events at 27 venues across the province. The events showcased industry innovation and capabilities, and encouraged industry to pursue continuous improvement.

Oil and gas, and oil sands investment remains high

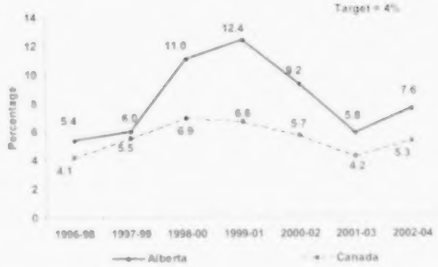
The government promotes development of, and investment in, the province's oil and gas industry, including investment in new development and expanded production of Alberta's oil sands. Oil and gas, and oil sands investment in Alberta remain at high levels. In 2003, oil sands investment was $5.05 billion and conventional oil and natural gas investment was $15.5 billion. Investment levels in 2004 are expected to be approximately $16.5 billion for conventional oil and natural gas and $6.1 billion for oil sands. High commodity prices, combined with Alberta's favourable investment climate, led to high levels of exploration, drilling and development in 2004.

Innovative Energy Technologies Program encourages recovery-based research

The provincial government also encourages research and innovation to maximize recovery of Alberta's oil, natural gas and oil sands reserves. The Innovative Energy Technologies Program introduced during the year will provide up to $200 million in royalty adjustments (over five years), to help offset the cost of implementating innovative technologies.

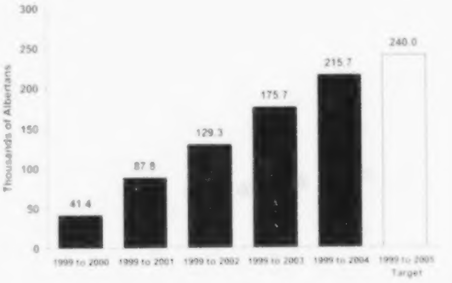
Gross Domestic Product (GDP) - The Alberta economy turned in an impressive performance in 2004, with real growth estimated at 3.7% (Statistics Canada, Provincial Economic Accounts, preliminary estimate). Economic gains were widespread, with the energy, construction, manufacturing and retail sectors all experiencing strong growth. The Alberta economy enjoyed broad-based growth in 2004 that was supported by a robust consumer sector, and strength in investment, manufacturing and exports. The longer-term growth rate of the Alberta economy, as measured by the three-year average annual growth rate in nominal GDP, increased to 7.6%, exceeding the target of 4%.

Gross Domestic Product



Job Growth - A strong economy increases employment opportunities for Albertans, enabling them to benefit from the province's economic growth. The Alberta economy created 40,000 jobs in 2004, for employment growth of 2.3%. Over the five-year period ending in 2004, 215,700 net new jobs were created. The target is for 240,000 jobs to be generated over the six-year period ending in 2005.

Job Growth



Alberta leads country in labour force participation rate

Labour Force Participation Rate - Alberta continued to lead the country with the highest rate of labour force participation at 73.6% and enjoyed the lowest unemployment rate of any province in 2004 at 4.6%. In conjunction with a low unemployment rate, having a high labour force participation rate is a further indicator of the strength of the economy, reflecting a healthy employment environment and optimism about job prospects of those looking for work.

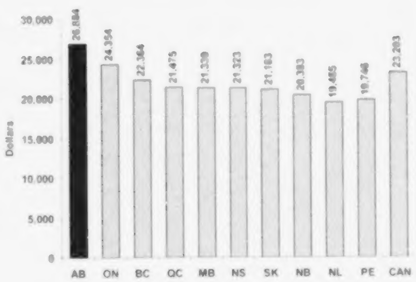
Highest level of real labour productivity among the provinces

Labour Productivity - As a measure of the efficiency and competitiveness of an economy, labour productivity plays an important role in economic prosperity. The government promotes improvements in the skills and productivity of the workforce and also ensures that Alberta's laws encourage competitiveness and productivity. In 2004, Alberta continued to meet its target of maintaining the highest level of real labour productivity among the provinces, and was well above the national average.

The government encourages industry in the province to improve productivity and competitiveness. During the year, it delivered services and training to support business improvement for Alberta manufacturers. These services provided businesses with assessments of their operations and recommendations to improve competitiveness and productivity, resulting in cost savings, productivity improvements, and increased sales. In addition, manufacturers were supported in implementing lean manufacturing practices.

Personal Disposable Income - Personal disposable income per capita is an important measure of consumer well-being. In 2004, Alberta continued to have the highest average personal disposable income per capita of any province at $26,884, up 4.8% from 2003 and 15.9% above the Canadian average of $23,203. The target is for Alberta to be in the top two among the provinces.

Personal Disposable Income (2004)

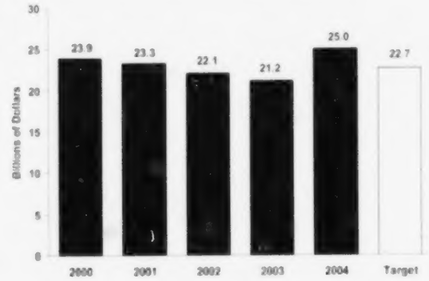


Value-Added Industries - To help strengthen Alberta's economy and enhance its long-term economic stability, the provincial government encourages growth of the province's value-added industries. Growth in the value-added sector will accelerate Alberta's continued transition to a more diversified, knowledge-based and globally competitive economy. Value-added industries include resource-processing, manufacturing of goods, and the provision of various services. Knowledge-intensive manufacturing and services are high-value-added industries and employ a high percentage of knowledge workers, or involve the development or application of advanced technologies. The government's target is for the value-added sector to account for an increasing percentage of the province's real GDP. Preliminary results show that in 2004, the sector grew by 3.8%. Output in manufacturing grew by 6.6%, while knowledge-intensive services had real growth of 2.4%. The value-added sector accounted for 30.5% of Alberta's real GDP in 2004, relatively unchanged from 30.6% in the previous year.

Value-added sector grew by 3.8%, continuing to account for just over 30% of real GDP

Export Trade - Exports are a vital part of Alberta's economy and expanding the province's international value-added exports is important for sustaining Alberta's economic growth in a globally competitive marketplace. Value-added exports grew by 17.8% in 2004 to $25.0 billion, exceeding the target of $22.7 billion. The global economy reached a 20-year high for economic growth in 2004, which resulted in both increased volumes as well as higher prices. An expanding Chinese economy caused sharp price increases for many commodities and also led to increased global trade volumes. Moreover, the U.S. economy grew strongly, by 4.4% in 2004, the highest growth rate since 1999.

Export Trade (Value-Added Exports)



Manufacturing exports grew a dramatic 22%, with about two-thirds of this increase coming from higher volumes (as opposed to price increases). All major sectors, except computers and electronics, had strong growth. Service exports grew an estimated 7.8%, with a 12% growth in transportation services (spurred on by growth in manufacturing and energy industries). Tourism exports rose by about 20%, mainly the result of a recovery from previous years' poor performance because of terrorist threats, the war in Iraq, severe acute respiratory syndrome (SARS), and other factors.

Alberta will have a prosperous economy

Alberta's International Marketing Strategy and numerous initiatives direct and support international trade and investment

As part of Alberta's International Marketing Strategy, which directs Alberta's international trade and investment initiatives, the government undertook numerous international marketing initiatives and intelligence sharing opportunities through such trade events as the Global Petroleum Show held in Calgary in June 2004. This included the organization of inbound missions to the show from PEMEX and the State of Tabasco, Mexico, as well as selected U.S. companies. Over 50,000 oil and gas industry leaders from over 80 countries worldwide attended this internationally renowned event.

The government also supported Alberta exports though the delivery of export readiness workshops, the coordination of an Alberta presence at international trade events (including the facilitation of meetings between Alberta companies and potential buyers), and the organization of several successful premier and minister-led missions to international markets to strengthen trade relations and promote investment opportunities.

Tourism visitation recovering from major decline in 2003

Tourism Industry Revenue - In 2004, tourism industry revenue in Alberta was an estimated $4.6 billion, up from $4.3 billion in 2003, but below the target of $5.3 billion. The commencement of the war in Iraq, BSE, SARS, and major forest fires in British Columbia during the summer all contributed to major declines in visitors from some of Alberta's key markets in 2003. Significant declines in the number of domestic and Asian visitors in particular, contributed to the loss of tourism revenue experienced by Alberta. Preliminary data from Statistics Canada indicate that tourism visitation has turned around. The number of international visitors clearing Customs in Canada in 2004 increased over 2003. In particular, U.S. visitors to Canada increased almost 6% and visitors from all other countries increased by almost 23%. The ability to market Alberta as a premier tourist destination was enhanced through the approval of additional funding for tourism marketing and development, based on the 4% tourism levy.

Sign Up Alberta program to enhance signage for Alberta tourist attractions

In 2004-05 a new highway signage program, Sign Up Alberta, was initiated to promote the Alberta Advantage and tourism in cooperation with industry and government stakeholders by developing highway signs enabling tourists to identify and locate Alberta's tourist attractions. Nearly all provincial government-owned parks, recreation areas and attractions have been converted to the new sign.

Hosted Aboriginal Leaders' Rountable on Tourism

Also during the year, the provincial government hosted the Aboriginal Leaders' Roundtable on Tourism involving leaders from First Nations and Metis communities to discuss opportunities related to aboriginal tourism.

Long-term solutions to trade disputes pursued

Barriers to Trade - The promotion of free and unimpeded movement of goods, services, people and capital across borders is an important tool for enhancing the economic performance and well-being of the province. In recent years, there have been several barriers placed on Alberta's ability to trade effectively. Examples include, the softwood lumber dispute and border closures related to BSE. Alberta is participating in efforts to find a long-term solution to the softwood lumber dispute by the target date of December 31, 2005.

Alberta will have a prosperous economy

Successfully defended interests of Canadian hog producers

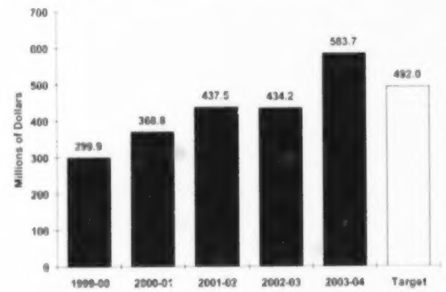
The government was successful in defending Alberta interests in U.S. trade actions against Canadian hog exports. The U.S. Department of Commerce confirmed that Canada does not illegally subsidize hog production and the U.S. International Trade Commission ruled that imports of live hogs from Canada do not cause economic injury to U.S. hog producers.

Highest percentage of households that use the Internet at work among the provinces

Business Connectiveness - The Internet is an integral part of the innovative process for the creation, distribution and application of knowledge and information. Internet-connectedness allows the exchange and sharing of information as well as relationship building among businesses and with their customers. The percentage of Alberta households that use the Internet at work can be used as a proxy to measure business use of the Internet in the province, and the degree of openness Alberta businesses have to adopting new technologies and innovative business practices. In 2003, 41.8% of Alberta households had at least one member who used the Internet at work, increasing notably over the previous year's value of 38.0%. Alberta now has the highest percentage of households that use the Internet at work among provinces, ahead of Ontario (40.5%) and British Columbia (38.3%). The target is for Alberta to be among the top three provinces in Internet business use.

Sponsored Research at Alberta Universities - University research is a fundamental element of Alberta's innovation system and the province's success in the global knowledge-based economy. Research conducted in Alberta's universities contributes to innovative discoveries that have the potential for economic and societal benefits. Success in acquiring and increasing sponsored research revenue is accomplished through highly competitive, excellence driven research activities. In 2003-04, sponsored research revenue at Alberta universities increased to $583.7 million, exceeding the 2003-04 target of $460 million and the 2004-05 target of $492 million. The significant increase is, in part, attributable to a $70 million capital investment by the Government of Alberta in large scale research facilities at Alberta universities. Sponsored research has nearly doubled since 1999-00, reflecting the introduction of new programs and the expansion of existing programs, at both the federal and provincial levels, aimed at increasing the research capacity and capability of Alberta universities.

Sponsored Research at Alberta Universities



Alberta universities in top 10 in Canada for research

The cumulative research success of a university and the building of an institution's research infrastructure are key determinants in attracting future resources. These resources come in the form of people (quality faculty and students) and financial support (increased research revenues), which in turn improve the quality of both the institution's research and educational programs. In 2003-04, the University of Alberta and University of Calgary were in the top 10 research universities in Canada in terms of attracting sponsored research revenue (ranked 6th and 9th respectively).

Approval for industrial dispositions streamlined by Area Operating Agreements

Industrial Disposition Planning - The government strives to manage Alberta's public lands in a manner that optimizes the benefits that Albertans receive from public lands while balancing economic, environmental and societal interests in consultation with industry and stakeholders. Through Area Operating Agreements (AOAs), an initiative of the Integrated Land Management program, the government is able to streamline approval for industrial dispositions on public lands while protecting public resources for other uses, and mitigating the footprint of industrial and commercial development on public lands. In 2004-05, AOAs were in place for 22% of active oil and gas industrial dispositions on public lands. While this result is below the government's target of 35%, AOAs have been gaining more acceptance by industry since their introduction in 2002-03.

Progress made on designing of biodiversity monitoring system prototype

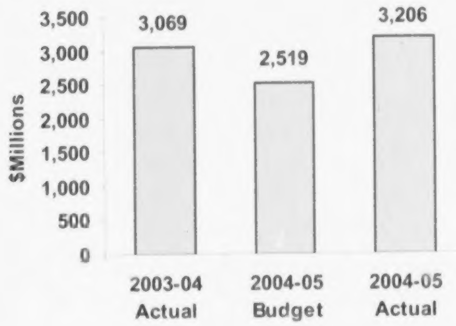
Biodiversity Monitoring System - The government is committed to maintaining Alberta's natural advantage through biodiversity and endangered species management, recognizing the significant contribution that biodiversity makes to Alberta's economic and societal well-being. Progress is being made to design and test a prototype for an operational biodiversity monitoring system in Alberta by December 2006. The Alberta Biodiversity Monitoring Program (ABMP) Prototype Project is a four-year initiative focusing on the Central region of Alberta and is sponsored by a strategic partnership of government, research institutions, academia and industry. Success towards achieving a province-wide operational monitoring program in 2007 depends on a continued commitment among all ABMP Prototype Project partners.

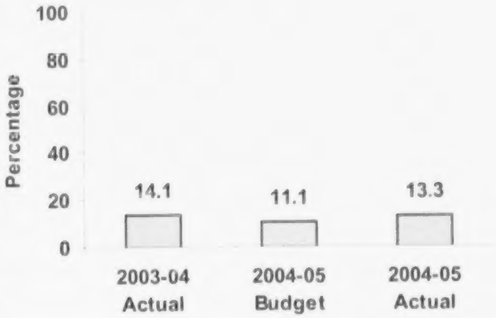
Oil Sands Production - Oil sands are deposits of bitumen, a heavy black viscous oil that must be treated to convert it into an upgraded crude oil before it can be used by refineries. Alberta's oil sands contain 174.5 billion barrels of established reserves that are recoverable using current technology and under current economic conditions. The total oil sands resource is even larger, holding 1.6 trillion barrels of bitumen in-place with its development limited in part, by technology. The Alberta oil sands are the largest known petroleum deposits in the world outside of Saudi Arabia.

Production of crude bitumen increased by 13%

New development and expanded production of Alberta's oil sands will be a primary contributor to future energy supplies in Canada and North America, leading to additional resource revenues and economic activity. In relation to oil sands production, the provincial government influences development through infrastructure development, fiscal policies, fostering sustainable in-situ and mining development, encouraging value-added upgrading and supporting technology that will reduce costs and increase established reserves. In 2004, production of crude bitumen was 1,089,300 average barrels per day exceeding the 2003 rate of 964,000 average barrels per day and achieving the target for production to increase.

Expense by Goal


Goal Seven Expense


Percent of Total Expense

This goal includes spending of the following ministries: Agriculture, Food and Rural Development, Economic Development, Energy, Finance, Gaming, Government Services, Human Resources and Employment, Infrastructure and Transportation, Innovation and Science, and Sustainable Resource Development.

Measures

	2004-05 Targets	Current Results	Previous Results
Gross Domestic Product (GDP) – Long-term growth rate of the Alberta economy as measured by the three-year average annual growth rate of nominal provincial GDP.	4%	7.6% (2002-04)	5.8%r (2001-03)
Job Growth - Cumulative number of net new jobs created in Alberta on an annual average basis since 2000.	240,000 by December 2005	215,700 over 5 years	175,700r over 4 years
Labour Force Participation Rate – Alberta's labour force as a percentage of the working age population.	Highest among the provinces	Highest (2004)	Highest (2003)
Labour Productivity - Inter-provincial rank of real GDP in dollars per hour worked.	Highest among the provinces	Highest (2004)	Highest (2003)
Personal Disposable Income - Inter-provincial rank (dollars per capita).	Among the top two provinces	Highest ($26,884 in 2004)	Highest ($25,654r in 2003)
Value-Added Industries - Percentage of Alberta's real GDP contributed by the manufacturing and knowledge-intensive service industries.	Greater than 30.6%	30.5%p* (2004)	30.6%r* (2003)
Export Trade - Alberta's international value-added exports, measured in current dollars. This includes manufactured goods, tourism and other services.	$22.7 billion by 2004	$25.0 billion (2004)	$21.2 billion (2003)
Tourism Industry Revenue – Tourism expenditures made in Alberta measured in current dollars.	$5.3 billion by 2004	$4.6e billion (2004)	$4.3 billion (2003)
Barriers to Trade - A long-term solution for the softwood lumber dispute.	Solution by December 31, 2005	In progress	In progress
Business Connectiveness - Alberta's inter-provincial rank of business use of the Internet as measured by the percentage of Alberta households with at least one member who uses the Internet at work.	Among the top three provinces	Highest (2003)	Second Highest (2002)
Sponsored Research at Alberta Universities - Total dollar amount of sponsored research at Alberta universities from all sources.	$492 million (2004-05)	$583.7 million (2003-04)	$434.2 million (2002-03)
Industrial Disposition Planning – Percentage of active oil and gas industrial dispositions subject to Area Operating Agreements**.	35%	22% (2004)	19% (2003)
Biodiversity Monitoring System - Designing and testing a biodiversity monitoring system.	System designed and tested by 2006	In progress	In progress
Oil Sands Production – Measured in average barrels per day.	Increasing production	1,089,300 (2004)	964,000 (2003)

r Revised by Statistics Canada.
p Preliminary
e Estimate
* Results based on chained (1997) dollars using Fisher formula; data based on Laspeyres index is no longer published by Statistics Canada.
** Area Operating Agreements facilitate long-term, integrated land use planning among industries on a common landscape.

Additional information on methodology and data for each of the measures is provided in the Appendix.

GOAL EIGHT 8

Alberta will have a financially stable, open and accountable government and a strong intergovernmental position in Canada

Performance Results

Financial stability is essential for the government to be able to provide programs and services that are important to Albertans now and in the future. The government is dedicated to providing effective public policy and quality, affordable services for Albertans. It is also committed to being open and accountable to Albertans. In 2004-05, the Alberta government directed $1,022 million towards the central administration of government ($720 million) and debt servicing costs ($302 million).

Development of an ease of access service environment through Service Alberta

The government is dedicated to making it easier for Albertans to access government programs and services. Through Service Alberta, the government continued to develop a service environment that enables Albertans to access government information and services in a manner of their choice. A government-wide content management system was developed for all ministry websites and common service standards were introduced across the Government of Alberta including timeliness, expertise, courtesy, going the extra mile and accessibility.

Investment in technology through e-Government Strategy and SuperNet to improve delivery of programs, services and information

Through the e-Government Strategy, the government has been moving incrementally towards optimizing investment in technology to deliver programs and services to Albertans in a convenient, efficient and timely manner. Technology is being used to improve access, quality and efficiency for a wide range of government services and information. Internally, standards and processes are being established to ensure accountability in matters relating to security and privacy of collected information. On a larger scale, investment in Alberta SuperNet has been designed to meet high-speed telecommunications needs for economic development, education opportunities, and better health and government services, particularly benefiting Alberta's rural communities.

Royalty review initiated

A royalty review was initiated to provide analysis and background on Alberta's royalty regimes, and to provide recommendations on the appropriateness of potential changes to commodity royalty systems to ensure that Albertans continue to receive their fair share from the development of Alberta's non-renewable resources. This review concluded that, based on international comparisons, Alberta's regimes are tough but fair.

Federal-provincial approval rating declined

Intergovernmental Relations - The government works to advance the province's interests in the Canadian federation. Public approval ratings reflect Albertans' perceptions of how well the provincial government is advancing the interest of Albertans within confederation. In 2004-05, Alberta's public approval ratings in federal-provincial relations dropped below its target to be at or above the average approval rating of the four nearest provinces (British Columbia, Saskatchewan, Manitoba, and Ontario). The approval rating has, however, rebounded from its low point of 20% below the average in the third quarter poll of the fiscal year, to within 2% of its target in the fourth quarter. Ongoing issues that challenged intergovernmental relations in 2004-05 were bovine spongiform encephalopathy (BSE), softwood lumber, the Kyoto Accord, health care, differing perspectives on Canada-U.S. relations, Senate reform, and western alienation.

GOAL EIGHT 8

Alberta will have a financially stable, open and accountable government and a strong intergovernmental position in Canada

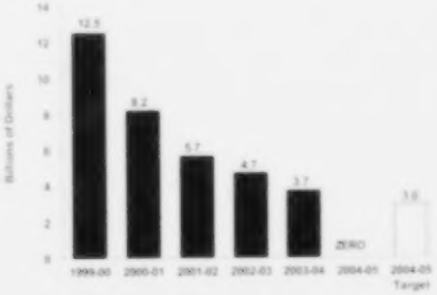
Highest possible credit rating maintained at AAA

Provincial Credit Rating - Alberta's credit rating is a broad measure of the province's financial stability. Alberta continues to maintain a blended credit rating for domestic debt of Triple A from all three major credit rating agencies - Standard and Poor's Rating Service, Moody's Investor Service Limited and Dominion Bond Rating Service, meeting its targeted top rating. Alberta is the only province with the highest possible rating from all three major agencies.

The high credit rating reflects the rating agencies' positive assessment of the province's fiscal, economic and political environment. The rating agencies cite Alberta's strong financial position, the government's commitment to debt repayment, and its record of balancing budgets and meeting forecasts as the key reasons for the top rating.

Accumulated Debt - The level of accumulated debt is an indicator of the financial strength and long-term stability of the province. Debt undertaken for operating spending burdens future generations with debt servicing costs and debt repayment obligations. Alberta's prudent fiscal management is reflected in the government's accelerated repayment of the province's accumulated debt. As of March 31, 2005 Alberta's accumulated debt less funds locked into the Debt Retirement Account is ZERO. Accumulated debt includes the outstanding consolidated debt of the General Revenue Fund, the debt of the Alberta Social Housing Corporation (net of borrowings from the General Revenue Fund) and the government's liability for school construction. The funds currently set aside in the Debt Retirement Account have been locked in and will be used only to pay off the accumulated debt as it matures.

Accumulated Debt

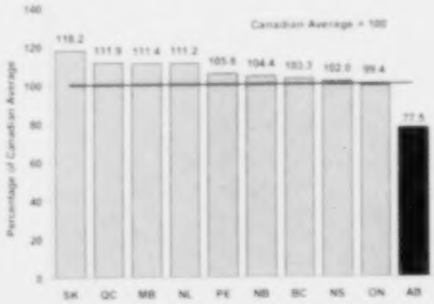


Twenty years ahead of schedule

Based on the debt repayment schedule set out in the *Fiscal Responsibility Act*, for the $12.5 billion of accumulated debt outstanding on March 31, 2000, the government is 20 years ahead of schedule in eliminating the need to set aside budget resources for debt repayment. With accumulated debt no longer absorbing the province's surpluses, the government has an increased ability to invest in the province's priorities.

Tax Load - The government believes that the tax system must be fair, globally competitive and promote self-reliance. Alberta has a low single rate income tax. It is the only province without a capital tax or retail sales tax, and has the lowest tax on gasoline among the provinces. In 2004-05, Alberta had the lowest tax load (total provincial and municipal) among the provinces at 77.5% of the provincial average, the lowest in the country. As a

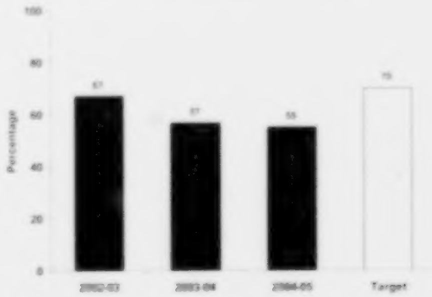
Tax Load (2004-05)



result, Alberta maintained its targeted tax status of having the lowest total provincial and municipal tax load as a percentage of the provincial average, among the provinces.

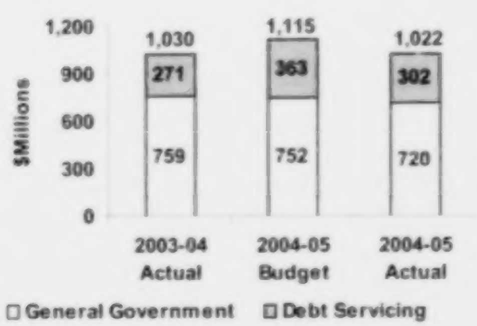
Government Financial Accountability - The government is committed to being open and accountable. As part of this commitment, the government publishes its plans and results as directed by the *Government Accountability Act*, which requires the government to report quarterly to Albertans on progress made in achieving the current year's fiscal plan. Alberta is a leader among Canadian governments in financial reporting, however survey results show that just 55% of Albertans were satisfied with the information they received from the province on the government's financial performance in 2004-05. This is down from 57% in 2003-04 and below the target of 70%. The measure is under review to determine whether it properly reflects Albertans satisfaction with the government's efforts to be open and accountable.

Government Financial Accountability

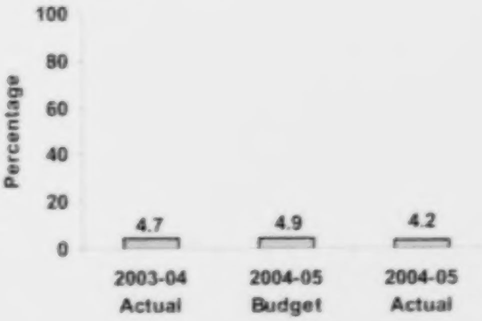


Expense by Goal

Goal Eight Expense



Percent of Total Expense



This goal includes spending of the following ministries: Agriculture, Food and Rural Development, Education, Energy, Executive Council, Finance, Gaming, Government Services, Human Resources and Employment including Personnel Administration Office, Infrastructure and Transportation, International and Intergovernmental Relations, Municipal Affairs, Restructuring and Government Efficiency, and Seniors and Community Supports.

GOAL EIGHT 8

Alberta will have a financially stable, open and accountable government and a strong intergovernmental position in Canada

Measures

	2004-05 Targets	Current Results	Previous Results
Intergovernmental Relations - Public approval rating in federal-provincial relations compared to the average of the four nearest provinces (British Columbia, Saskatchewan, Manitoba and Ontario).	Average or above	Below Average (2004-05)	Average (2003-04)
Provincial Credit Rating - Blended credit rating for domestic debt.	AAA	AAA (2004-05)	AAA (2003-04)
Accumulated Debt - Alberta's accumulated debt* less funds locked into the Debt Retirement Account for future debt repayment.	$3.0 billion	Zero (2004-05)	$3.7 billion (2003-04)
Tax Load - Inter-provincial rank of Alberta's total provincial and municipal tax load as a percentage of the Canadian average.	Lowest among the provinces	Lowest (2004-05)	Lowest (2003-04)
Government Financial Accountability – Percentage of Albertans who think they get enough information on the government's financial performance.	70%	55% (2004-05)	57% (2003-04)

* Accumulated debt is the sum of the outstanding consolidated debt of the General Revenue Fund, the debt of the Alberta Social Housing Corporation and the government's liability for school construction.

Additional information on methodology and data for each of the measures is provided in the Appendix.

Performance Results

Albertans want communities in which they can live and raise families in safety and security without fear of personal or property crime, victimization or discrimination. This requires protection of human rights and personal privacy, crime prevention, services to victims of crime, and effective policing and fire protection. It also requires a strong and effective prosecution service, an accessible court system, cost effective and accountable correctional services, and partnerships with the judiciary, police, and other stakeholders. In 2004-05, the Alberta government directed $958 million towards the protection of persons and property.

Alberta Traffic Safety Plan developed to improve traffic safety

This goal is supported by a number of government initiatives, including the development of an Alberta Traffic Safety Plan (TSP) to implement traffic safety programs and initiatives to increase driver safety and reduce traffic collisions, fatalities and injuries. The plan also supports other injury prevention strategies led by the government. The TSP, along with continued refinement of programs such as the Graduated Driver Licensing Program, countermeasures directed at impaired driving, and the Child Traffic Safety Program, will result in increased safety for young drivers and other road users.

Turtle Mountain monitoring and warning system established

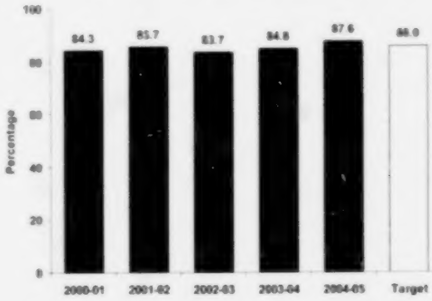
In 2004-05, the Alberta government also led the development of Crisis Management, Consequence Management and ministry Business Continuity Plans, ensuring policies and procedures are in place to protect Albertans, critical assets and infrastructure from a broad range of threats. As part of these initiatives, a monitoring and warning system was established on Turtle Mountain – site of the 1903 Frank slide – to alert area residents and authorities of seismic activity on the mountain.

Communications Inquiry Centre established to provide information on codes, standards and the safety system

In addition, government administers a safety system that promotes fire protection and strives to ensure buildings and equipment are constructed and maintained to safe standards. In support of this, a partnership of fire service representatives from across the province is working to unify fire services in Alberta. A Communications Inquiry Centre that provides a single point of contact for obtaining information on codes, standards and the safety system was also established.

Effectiveness of Human Rights Protection - According to 2004-05 survey results, the percentage of adult Albertans who felt human rights were "very well" or "fairly well" protected in Alberta increased 2.8 percentage points, to 87.6%. Results have increased two years in a row and in 2004-05, results were above the target of 86%. The Alberta government supports Albertans in building a society that is respectful of human rights and diversity, and is free of discrimination. In 2004-05, the government continued its commitment to human rights issues in Alberta by launching phase-two of the Help Make a Difference public service announcement in partnership with Global TV. In addition, the government has developed and distributed resources concerning human rights and discrimination, and provided funding to community groups for initiatives that foster

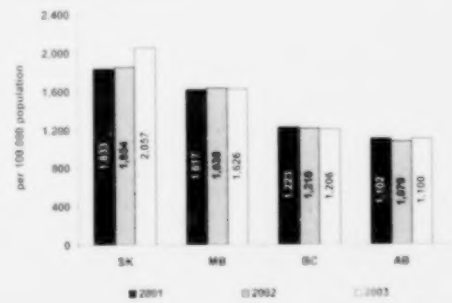
Effectiveness of Human Rights Protection



inclusive communities. Results may be affected by issues, events and legislative matters concerning human rights, both in the province and in other jurisdictions around the world, media coverage, demographics and respondents' historical and personal circumstances and experiences.

Violent and Property Crime Rates - In 2003, Alberta's violent crime and property crime rates remained on target, as the lowest of the four western provinces. However, Alberta's violent and property crime rates both increased over the previous year, which contributed to a national jump of 6% in the overall crime rate in 2003 – the first substantial increase in over a decade. Violent crime increased to 1,100 per 100,000 population, up 2% from 2002. A 20.7% increase in robberies and 1.6% rise in assaults were partly offset by an 11.1% decrease in homicides and a 8.5% decrease in sexual assaults. Alberta's property crime rate jumped 9.5% in 2003, to 5,121 per 100,000 population. Contributing to the increase were higher rates of motor vehicle thefts (14.6%) and break-ins (11.1%).

Violent Crime Rates

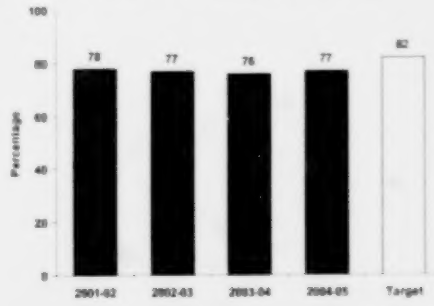


Crime rates are influenced by many factors including, economic conditions, educational achievement and population demographics. Alberta crime rates are compared to other western provinces (British Columbia, Saskatchewan and Manitoba) as historically, the west has had higher crime rates than central and eastern Canada. There are a number of possible explanations for this. Western Canada has a younger, more mobile population and higher proportion of Aboriginal people than eastern Canadian jurisdictions. These population groups tend to be over represented as both offenders and as victims of crime.

In 2004-05, the Alberta government was involved in a number of programs aimed at helping those in the province most affected by crime, including an Aboriginal mentoring project entitled "Fifth Season: Healing Season" with workshops on self-esteem, goal-setting and overcoming issues such as alcohol and drug abuse. Alberta's strong economy and a low unemployment rate likely contribute to Alberta's low crime rate among western provinces.

Perception of Safety in the Neighbourhood - The percentage of Albertans who felt "very" or "reasonably" safe walking alone in their neighbourhoods at night increased slightly, according to 2004-05 survey results, to 77%. The measure showed a 1% gain over the previous year but falls short of the 82% target for the period. 60% of Albertans believe that crime in their neighbourhood

Perception of Safety in the Neighhourhood



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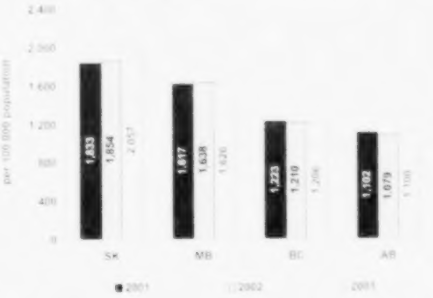

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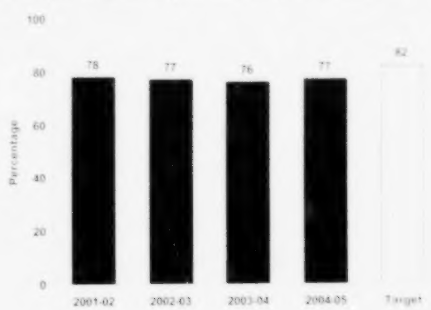


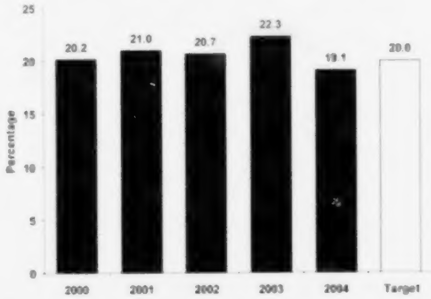
has decreased or remained the same. 60% also believe that crime in their neighbourhood is not a serious problem. About 84% of Albertans feel the amount of crime in their neighbourhood is lower, or about the same, as in other areas of the province.

Lowest lost-time claim rate since 1991

Workplace Lost-Time Claim Rate - The provincial lost-time claim rate dropped from 3.4 injuries per hundred person years in 2000 to its current low of 2.6 in 2004, the lowest rate recorded since 1991. A lost-time claim rate of 2.6 represents about 10,000 fewer lost-time injuries each year and over $150 million dollars in direct annual saving to the Workers' Compensation Board. The government continues to work towards lowering the lost-time claim rate through the implementation of the Work Safe Alberta initiative and activities such as increasing the maximum fines and the number of prosecutions for *Occupational Health and Safety Act* violations, and an Industry-led Health and Safety Mentorship program. Factors that impact the lost-time claims rate include: the effectiveness of government and industry programs in promoting workplace health and safety, individual employee efforts, and economic conditions. Alberta faces the challenge of training an influx in inexperienced workers drawn to the province because of the strong economy.

Involvement of Drinking Drivers in Fatal Collisions - The percentage of fatal collisions involving drinking drivers decreased to 19.1% in 2004, down 3.2 percentage points from the previous year. Alberta's traffic volumes have increased by 10.1% from 2000 to 2004 and the number of licensed drivers increased by 7.6% since 2000.

Drinking Drivers in Fatal Collisions



The Alberta government provides ongoing monitoring of roadways under its authority, including maintenance and upgrades to enhance the safety of all road users and provides ongoing education, legislative enhancements, and enforcement programs. The *Traffic Safety Act* came into force in 2003, which included a new Graduated Driver Licensing program; new standards and safety policies for commercial vehicles and vehicle equipment; and updated fines. Enhancement of regulations under the *Traffic Safety Act* has provided a framework for addressing safety issues and new initiatives aimed at improving driver behaviour and vehicle safety.

Alberta has specifically targeted impaired driving with programs such as the Alberta Administrative License Suspension program. From its inception in December 1999 to March 2005, this program has resulted in 39,573 suspensions of Alberta drivers who were charged with having a breath or blood sample over 0.08 blood alcohol level, or who refused a breath or blood sample demand. The Graduated Driver Licensing Program also includes a zero alcohol tolerance provision for new drivers, which applies while a driver is in either the learner or probationary category. There were 301 Alberta zero alcohol tolerance suspensions initiated between May 2003 and March 2005.

Alberta will be a fair and safe place to work, live and raise families

Almost 100% of collective bargaining agreements settled without a work stoppage

Work Stoppages - In 2004-05, 99.4% of expired collective bargaining agreements were settled without a work stoppage, 1.4 percentage points higher than the target for the same period. A key factor viewed as contributing to the high level of resolution is that private and public sector wage settlements reflect the relative strength of the Alberta economy.

Harmonized securities legislation introduced

Harmonized Securities Legislation - The Alberta government introduced legislation to make Alberta's securities legislation more harmonized with other Canadian jurisdictions. On September 30, 2004, a Provincial/Territorial Memorandum of Understanding (MOU) was signed by Alberta. The MOU includes a commitment to develop highly harmonized securities laws. The Alberta government will continue to work with other provinces and territories on the commitment to develop, more broadly, highly harmonized securities legislation.

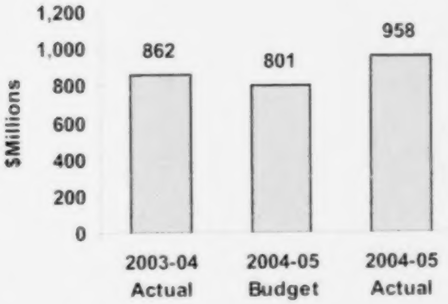
FireSmart program implemented

Wildfire Prevention - Wildfire prevention is an important part of keeping Albertans safe and secure. In 2004, there were 734 human-caused wildfires in Alberta's Forest Protection Area. Government initiatives in 2004-05 included implementing the FireSmart program to assist communities in becoming "fire smart"; and to provide Albertans with the information they need to mitigate the risks of wildfire, and to protect themselves, their property and the forest from wildfire. Factors impacting the number of wildfires include, the ongoing dry conditions in Alberta, and increased human activities in the Forest Protection Area.

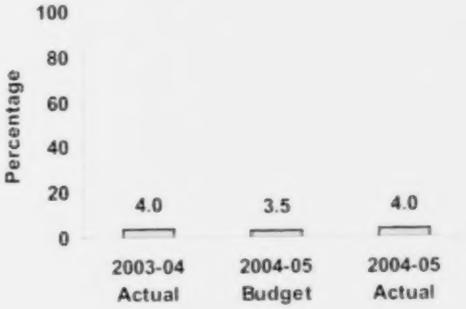
Due to a change in methodology, 2004 wildfire data is not comparable to the target in Budget 2004 or to previous years' results. The new methodology will allow Alberta wildfire data to be comparable to the data gathered in other jurisdictions, improving wildfire tracking and analysis.

Expense by Goal

Goal Nine Expense



Percent of Total Expense



This goal includes spending of the following ministries: Community Development, Finance, Government Services, Human Resources and Employment, Infrastructure and Transportation, Justice, Municipal Affairs, Solicitor General, and Sustainable Resource Development.

Alberta will be a fair and safe place to work, live and raise families

Measures

	2004-05 Targets	Current Results	Previous Results
Effectiveness of Human Rights Protection – Adult Albertans' perception of the effectiveness of human rights protection in Alberta.	86%	87.6% (2004-05)	84.8% (2003-04)
Violent Crime Rate[r] - Alberta's violent crime rate per 100,000 population.	Lowest of four western provinces	Lowest (2003)	Lowest (2002)
Property Crime Rate[r] - Alberta's property crime rate per 100,000 population.	Lowest of four western provinces	Lowest (2003)	Lowest (2002)
Perception of Safety in the Neighbourhood* - Percentage of Albertans who feel "very safe" or "reasonably safe" walking alone in their neighbourhoods at night.	82%	77% (2004-05)	76% (2003-04)
Workplace Lost-Time Claim Rate - Number of lost-time claims per 100 person-years worked.	2.0 or lower	2.6 (2004)	2.9 (2003)
Involvement of Drinking Drivers in Fatal Collisions - Percentage of fatal collisions involving drinking drivers.	20.0%	19.1 (2004)	22.3% (2003)
Work Stoppages - Percentage of collective bargaining agreements settled without a work stoppage.	98%	99.4% (2004-05)	99.3% (2003-04)
Harmonized Securities Legislation	Proposal developed	Provincial/ Territorial Memorandum of Understanding signed	Canadian Securities Administration proposal for uniform securities legislation released December 2003
Wildfire Prevention - Number of human-caused fires within Alberta's forest protection area.	Less than 300 fires**	734 fires (2004)	***

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r Previous year crime rates are revised annually based on population counts.

* Perception of safety in the neighbourhood measure has been changed. As a result, previous years' results have been revised to reflect the new measure. See Appendix for details.

** The 2004-05 target is not comparable to the current result due to a change in methodology. The 2005-08 Sustainable Resource Development Business Plan states a target of 650 human-caused wildfires.

*** Previous results are not comparable to the current result due to a change in methodology.

Additional information on methodology and data for each of the measures is provided in the Appendix.

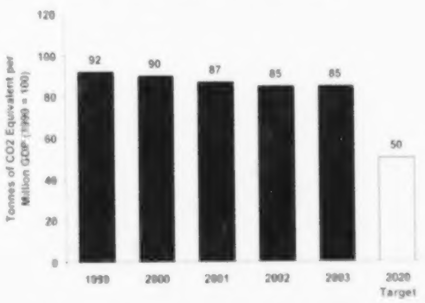
GOAL TEN 10

The high quality of Alberta's environment will be sustained

Performance Results

Albertans expect the environment to be well managed and protected as a legacy for future generations. Clean air, water and land, as well as the sustainable use of Alberta's environmental resources, are basic to Albertans' health, communities and quality of life. The Alberta government takes a leadership role in developing a comprehensive approach and fosters shared responsibility for environmental management and stewardship. In 2004-05, Alberta directed $172 million towards maintaining Alberta's environment.

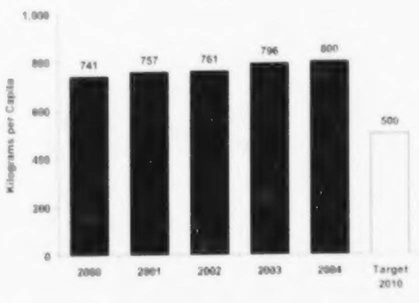
Greenhouse Gas (GHG) Emissions Intensity - In 2003, Alberta's GHG emissions intensity remained at 85% of 1990 levels. This result is a reflection of two factors: strong economic growth, coupled with a modest increase in associated greenhouse emissions; and revisions to Environment Canada's GHG emissions data as part of its ongoing review process, which lowered the initial 1990 baseline, consequently altering the measure relative to that baseline. With 2003 emissions intensity at 15% below 1990 levels, Alberta is nearly a third of the way to the 2020 target.


Greenhouse Gas Emissions Intensity

In 2004-05, government initiatives to curb greenhouse gas emissions included: developing Canada's first greenhouse gas reporting program for large final emitters; supporting the ME first! interest-free loan program to encourage energy efficiency and energy conservation in Alberta municipalities; and participating with the Alberta Geological Survey in the development of carbon capture and storage technologies.

In addition, the Alberta government has made significant progress on advancing research on CO_2 injection technology. With the cooperative effort of industry and the federal government, the initial stages of a commercial project are under way. It is anticipated this technology could lead to commercial use of CO_2, such as value added uses to improve oil and natural gas recovery.

Municipal Solid Waste to Landfills - Municipal solid waste disposed in landfills increased for the fourth straight year, reaching 800 kilograms per capita in 2004. The increase is attributed to Alberta's current robust economy, as it includes waste from the industrial, commercial, institutional, and construction, renovation and demolition sectors. The Alberta Government is committed to reaching its target of 500 kg per person. In 2004, the government released Alberta's municipal waste action plan for reducing solid waste going to landfills and implemented a regulated electronics waste recycling program, the first of its kind in Canada, to improve recycling efficiencies. The government also


Municipal Solid Waste to Landfills

partnered with others in the province on voluntary stewardship programs to promote awareness and educate Albertans on pollution prevention and waste minimization, factors that will increase recycling and reduce the amount of waste going to landfills.

River Water Quality Index - The River Water Quality Index is used to evaluate water in Alberta's major river systems with respect to four groups of variables: metals, bacteria, nutrients and pesticides. River water quality is reported because the effects of human activities are generally more diverse and easier to measure in rivers than in lakes. Overall, the Index shows no trend towards degradation in river water quality.

River water quality index higher

In 2003-04, five river systems had "good" or "excellent" water quality. The exception was the North Saskatchewan River, which was rated as "fair" at the Pakan site, primarily due to increased bacterial counts and pesticide detections. In some cases, 2003-04 Water Quality Index scores for both upstream and downstream sites were higher than those for the previous year because of changes in local climatic conditions. Less precipitation resulted in reduced surface runoff and therefore decreased movement of materials from the land to the water in some areas. In higher flow years, lower scores can be expected due to increased movement of materials, whether naturally occurring or as a result of human activity, from the land to the water.

A number of natural and human factors can influence index values: river flow volume, temperature, the degree of development along rivers, non-point sources of runoff (such as agricultural fields), and point sources of effluent that discharge into rivers. For example, during spring runoff, concentrations of nutrients and metals may exceed guideline values, even in "natural" areas, simply because they are present in soils that are washed into river waters.

Water for Life strategy programs developed to ensure viability of aquatic ecosystems

The government's Water For Life strategy is integral in protecting Alberta's water resources. As part of this strategy, a number of programs have been developed to study water quality in the province to ensure the long-term viability of aquatic ecosystems and the health of Albertans. Examples include the Alberta Ingenuity Centre for Water Research, which conducts water research, and the Alberta Water Information Centre, which will provide information to Albertans about water quantity, quality, licence commitments and actual use. The government has also established an Advisory Committee on Water Use Practice and Policy, involving industry, government, municipalities and environmental groups to examine the issue of oilfield use of fresh water.

Drinking Water Safety Indicator - Under the *Environmental Protection and Enhancement Act*, the government regulates public waterworks facilities that provide drinking water to Albertans. The Drinking Water Safety Indicator assesses the ability of waterworks facilities to provide safe drinking water by evaluating the treatment technology in place, how well the facility is managed and operated, and the quality of the water produced, based on health-related concentration limits.

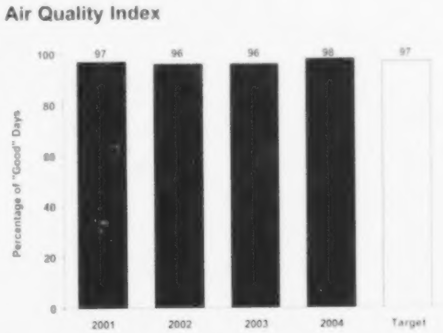
GOAL TEN 10 The high quality of Alberta's environment will be sustained

Percentage of water works facilities meeting newest design standards increased

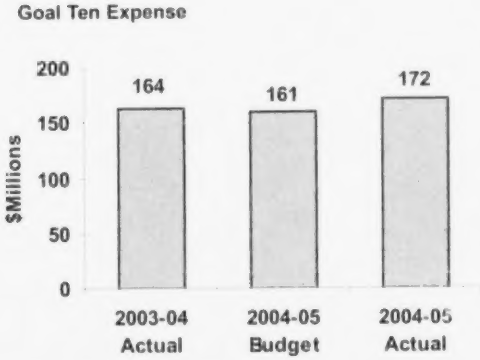
In 2004-05, 75% of regulated water works facilities had treatment technology in place that met the newest facility design standards. This represents a net improvement in water quality technology at 32 facilities over the previous year. Compliance with operational requirements improved from 59 incidents to 45 incidents. Over the same period, the number of water quality incidents increased from 48 incidents at 47 facilities, to 69 incidents at 49 facilities. Of note however, the number of self-reported incidents rose from 15 to 52, while government identified incidents fell from 33 to 17. This indicates operators are becoming more aware of their operating requirements and their need to report incidents, and are identifying, reporting, and taking action to correct problems immediately.

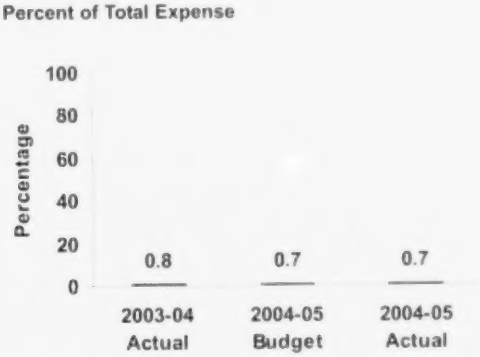
The Alberta government completed a comprehensive assessment of drinking water facilities to provide strategic options to ensure the long-term sustainability of Alberta's municipal waterworks systems.

Air Quality Index - In 2004, Alberta had 357 "good" days, seven more than in 2003, and 9 "fair" days, five less than in 2003, with "good" air quality occurring 98% of the time, slightly higher than the 97% target. Air quality is influenced by a number of factors including forest fires, weather patterns, vehicle emissions, and intensity of industrial development. In Alberta, "poor" or "very poor" air quality can occur when smoke from forest fires is transported into urban centres. "Poor" air quality can also occur during summertime and wintertime smog events.


Air Quality Index

Expense by Goal


Goal Ten Expense


Percent of Total Expense

This goal includes spending of the following ministries: Energy, Environment, and Infrastructure and Transportation.

The high quality of Alberta's environment will be sustained

Measures

	2004-05 Targets	Current Results	Previous Results
Greenhouse Gas (GHG) Emissions Intensity - Compares total annual GHG emissions across Alberta to total provincial GDP.	Cut the GHG emissions intensity of the Alberta economy in half (50%) by 2020 relative to 1990 levels.	85% of 1990 levels (2003)	85% of 1990 levels (2002)
Municipal Solid Waste to Landfills - Municipal solid waste disposal to landfills (kilograms per capita).	Reduce municipal solid waste disposal to landfills to 500 kg per capita by 2010.	800 kg (2004)	796 kg (2003)
River Water Quality Index - Index of four groups of water quality variables (metals, bacteria, nutrients and pesticides) at two locations for each of the province's six major river systems.	To maintain the overall quality of Alberta's rivers.	5 out of 6 river systems had "good" to "excellent" water quality	5 out of 6 river systems had "good" to "excellent" water quality
Air Quality Index - Index of outdoor concentrations of five major air pollutants monitored at stations across the province.	Maintain "good" air quality days equal to or greater than 97% of the time, with no "poor" days.	98% "good" air quality days, no "poor" days (2004)	96% "good" air quality days, no "poor" days (2003)

Note: The **Drinking Water Safety Indicator** measure is not included in the table as a target was not included in the published *2004-05 Government Business Plan*. Information on results can be found in the Appendix.

Additional information on methodology and data for each of the measures is provided in the Appendix.

GOAL ELEVEN

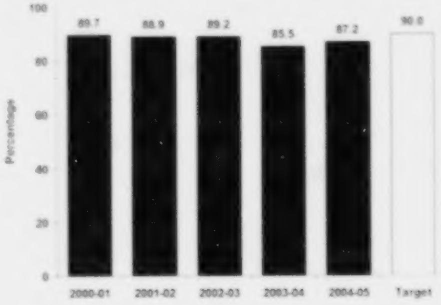
Albertans will have the opportunity to participate in community and cultural activities and enjoy the province's historical resources and parks and protected areas

Performance Results

Albertans' opportunities to participate in community and cultural activities and their enjoyment of the province's historical resources and parks and protected areas are essential elements of a high quality of life. The government facilitates participation in community activities through supporting volunteerism, community service organizations, public libraries, sport and recreation, and arts and cultural activities. The government also preserves, protects and presents Alberta's historical resources, culture and natural heritage through provincial historic sites, museums, interpretive centres and provincial parks and protected areas. In 2004-05, Alberta directed $294 million to support recreation and cultural activities in the province.

Participation in Arts and Cultural Activities - Community Development survey results indicate that the percentage of adult Albertans who attended or participated in arts and cultural activities increased from 85.5% in 2003-04 to 87.2% in 2004-05, nearly meeting the target of 90%. In 2004-05, the government provided over $31.2 million to arts organizations and artists to support activities in the literary, performing and visual arts and film development. The results may be affected by external influences such as lifestyle choices, disposable income, home-based entertainment technology, time constraints and demographics.

Participation in Arts and Cultural Activities



Number of Albertans participating in sport and recreational activities increased

Participation in Sport and Recreation - Survey results show that the percentage of adult Albertans who participated in sport and recreational activities increased to 83.4% in 2004-05, higher than in either of the two previous years and approaching the target of 85%. The Alberta government is involved in a number of programs to encourage participation in sport and recreational activities, including the SummerActive and Live Outside the Box campaigns and the provision of funding to enhance participation in sport for underrepresented groups (e.g., girls, women, Aboriginal people, people with disabilities). The results may be affected by external influences such as lifestyle choices, disposable income, user fees and demographic changes such as the general trend of an aging population.

97.7% of visitors satisfied with provincial historic sites, museums and interpretive centres

Visitor Satisfaction with Provincial Historic Sites, Museums and Interpretive Centres - Results from a Heritage Facilities Visitor Survey indicate that the percentage of visitors to provincial historic sites, museums and interpretive centres who were satisfied with their experience remained constant at 97.7% in 2004-05. While the result falls slightly short of a 99% target, overall satisfaction remains very high. In 2004-05, the Alberta government focused on providing innovative ways for Albertans to experience their history. These included developing digital interactive technology at the Royal Tyrrell Museum that challenges audiences to solve a 70 million-year old crime, and furthering electronic access to detailed information about the province's heritage and cultural resources through the Internet. The focus and condition of exhibits and facilities, and visitors' expectations and previous experiences may influence the results.

GOAL ELEVEN

11

Albertans will have the opportunity to participate in community and cultural activities and enjoy the province's historical resources and parks and protected areas

Percentage of Albertans using public libraries decreased

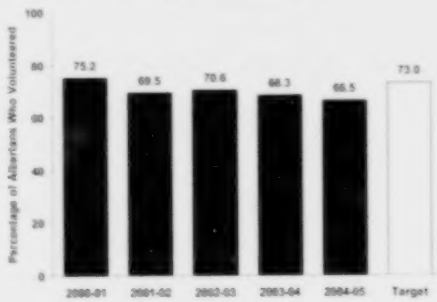
Public Library Use - Survey results showed the percentage of adult Albertans who used an Alberta public library was 50.2% in 2004-05, slightly lower than the previous year and short of the 54% target. The Alberta government spent over $18.7 million in grants to support public libraries and to facilitate their access to the Alberta SuperNet. In addition, the government supported an initiative to allow Albertans to use their local library card to order library resources from their personal computers. Factors influencing public library use include library card fees, hours of operation, time constraints, lifestyle choices and the availability of the Internet and home-based entertainment technologies.

Visitor satisfaction increased at Alberta's provincial parks and recreation areas

Visitor Satisfaction with Provincial Parks and Recreation Areas - Based on results from a 2004-05 Camper Satisfaction Survey, 90.9% of visitors were satisfied overall with the services and facilities at Alberta's provincial parks and recreation areas. The results are up slightly from the previous year when 90.4% of visitors were satisfied. No target has been set since this measure's methodology was revised in 2003-04 to more accurately reflect satisfaction. Visitors' satisfaction is influenced by several factors, including the age, condition and cleanliness of facilities, interactions with other visitors, programs offered, public awareness of facilities services, and the level of service provided by contractors and park staff. In 2004-05, new education partnerships were developed and heritage appreciation services were improved to enhance the preservation and presentation of Alberta's natural heritage.

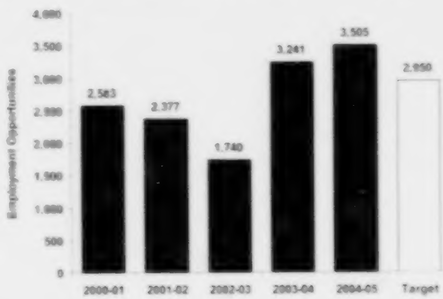
Level of Community Volunteerism - Survey results indicate that in 2004-05, the percentage of adult Albertans who volunteered was below target. The Alberta government is committed to supporting a healthy and vital voluntary sector by providing funding for non-profit organizations, offering workshops to enhance the capabilities of Albertans in the voluntary sector and recognizing volunteers' contributions. Factors that affect volunteerism include awareness of the benefits of volunteering, and personal circumstances related to age, lifestyle and economic conditions.

Level of Community Volunteerism



Film Production Employment Opportunities - Cultural activities also extend to film production. Employment opportunities in film production supported by the Alberta Film Development Program increased 8.1% to 3,505 in 2004-05, far surpassing the target of 2,950. In 2004-05, the Alberta government increased funding to the Alberta Film Development Program by $7.5 million, up 23% over the previous year. On average, employment opportunities in the film production industry have experienced strong growth in recent

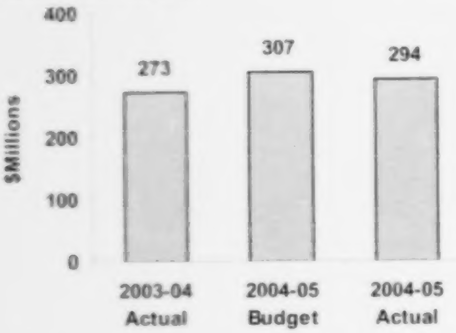
Film Production Employment Opportunities



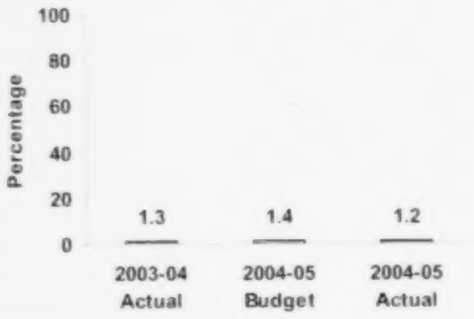
years, as Alberta becomes an increasingly attractive location for the film industry. External factors impacting the results include long lead times, accountability reporting, availability of funding, and wide variations in the number of personnel required.

Expense by Goal

Goal Eleven Expense



Percent of Total Expense



This goal includes spending of the following ministries: Community Development, Gaming, and Infrastructure and Transportation.

Measures

	2004-05 Targets	Current Results	Previous Results
Participation in Arts and Cultural Activities - Participation in arts and cultural activities by adult Albertans.	90%	87.2% (2004-05)	85.5% (2003-04)
Sport and Recreation Participation - Participation in sport and recreational activities by adult Albertans.	85%	83.4% (2004-05)	80.4% (2003-04)
Visitor Satisfaction with Provincial Historic Sites, Museums and Interpretive Centres – Satisfaction of visitors with experiences at provincial historic sites, museums and interpretive centres.	99%	97.7% (2004-05)	97.7% (2003-04)
Public Library Use - Usage of public library services by adult Albertans.	54%	50.2% (2004-05)	51.2% (2003-04)
Level of Community Volunteerism – Level of community volunteerism by adult Albertans.	73%	66.5% (2004-05)	68.3% (2003-04)
Film Production Employment Opportunities - Number of film production employment opportunities for Albertans supported by the Alberta Film Development Program.	2,950	3,505 (2004-05)	3,241 (2003-04)

Note: A measure that tracks **Visitor Satisfaction with Provincial Parks and Recreation Areas** is not included in the table as a target was not established. The measure's methodology was revised in 2003-04 to more accurately reflect satisfaction.

Additional information on methodology and data for each of the measures is provided in the Appendix.

GOAL TWELVE 12

Alberta will have effective and sustainable government-owned and supported infrastructure

Performance Results

Effective and sustainable government-owned and supported infrastructure is essential to support the achievement of the province's other goals and to achieving the vision of a vibrant and prosperous province where Albertans enjoy a superior quality of life. Alberta has been experiencing rapid economic and population growth, placing the province's infrastructure under pressure. In addition, the province's infrastructure is aging and reinvestment is required to ensure the integrity of existing infrastructure is maintained and public investment is preserved. The Capital Plan, announced as part of Budget 2003, provides a more structured approach to funding capital projects, bringing sustainability and predictability to capital spending. In 2004-05, the provincial government directed $2,842 million to support Alberta's infrastructure.

Multi-year initiative to upgrade provincial park infrastructure

In 2004-05, a multi-year initiative was launched to repair and upgrade provincial parks' water and sewer infrastructure and other immediate safety hazards such as needed repairs to boat docks, boardwalks and washrooms. Work also began on an extensive upgrade of the Canmore Nordic Centre to improve the cross-country and biathlon sport facilities and trails to meet international competition standards and accommodate increased visitation.

Royal Alberta Museum Renewal Project and Jubliee Auditoria renovations initiated

The first two planning phases of the Royal Alberta Museum (formerly known as the Provincial Museum of Alberta) Renewal Project were completed. The renewed museum will capture the Alberta story, deliver an extraordinary visitor experience and attract the best touring exhibits from museums around the world. An extensive renovation and recapitalization of the Northern and the Southern Alberta Jubilee Auditoria was initiated with a focus on improving patron comfort, sightlines, natural acoustics and accessibility throughout the audience chamber. The Auditoria will re-open in September 2005 in conjunction with Alberta's centennial celebration. The provincial government also supported 45 community owned and operated projects across Alberta, such as leisure centres and museums, by awarding $33 million in Alberta Centennial Legacies Grants (Phase 3) over 2004-05 and 2005-06.

Seniors' Lodge Program modernized and upgraded 120 lodges

The government modernized existing seniors' lodges to prolong the life of these facilities and to protect taxpayer investment. The Seniors' Lodge Program came to a successful conclusion with 120 lodges throughout the province having been modernized and upgraded to current standards. The government continues to work with the lodge foundations to enhance their planning of future capital maintenance costs and ensure that they are efficiently and effectively managed.

Transferred titles to local housing authorities

To promote better management of local housing needs, the government initiated or completed a number of transfers of land and building titles to local housing authorities. Transfers included: seniors' lodges in Drumheller, Grande Prairie, and Calgary; community housing in Calgary, Edmonton, Fort McMurray, and the Regional Municipality of Wood Buffalo; housing units transferred to the Village of Hythe; and vacant lots transferred to Wabasca.

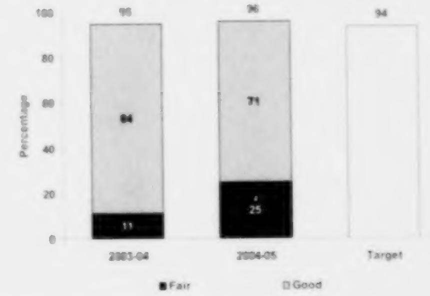
P3 agreement signed to accelerate opening of Anthony Henday Drive

Another priority for the government is the development and preservation of the province's transportation infrastructure, including use of alternative funding mechanisms, where there is a benefit to Albertans. A public-private partnership (P3) Design, Build, Finance, Operate agreement was signed with Access Roads Edmonton Ltd. for the Edmonton Southeast Anthony Henday Drive, which will enable the road to be open by the Fall of 2007, much sooner than if publicly funded only.

Alberta will have effective and sustainable government-owned and supported infrastructure

Physical Condition of Health Facilities - The government's long-term goal is to preserve the physical condition of government-owned and supported infrastructure. In 2004-05, 96% of health facilities were reported in either "good" or "fair" physical condition, exceeding the target of 94%. 71% of health facilities were rated in "good" condition, down from 84% in 2003-04. The percentage in "fair" condition increased from 11% in 2003-04 to 25% in 2004-05, due to a number of facilities previously rated "good" slipping into the "fair" category.

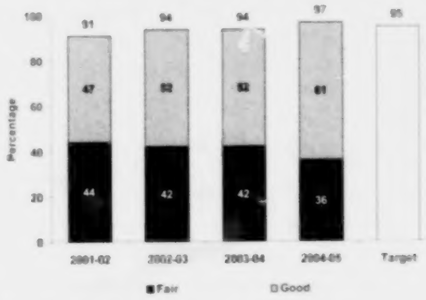
Physical Condition of Health Facilities



Projects to support the health of Albertans included the new Alberta Children's Hospital in Calgary and the Mazankowski Alberta Heart Institute in Edmonton, redevelopment of the Royal Alexandra Hospital in Edmonton and the Regional Hospital in Red Deer, and increased support for medical equipment. Funding was also provided for renovations at five Edmonton hospitals and for redevelopment of the Intensive Care Unit and Emergency Department at the Foothills Medical Centre in Calgary. The Tom Baker Cancer Centre in Calgary and the Cross Cancer Institute in Edmonton also underwent renovations.

Physical Condition of Learning Facilities - Measuring the physical condition of schools provides assurance to Albertans that their children are provided with safe, effective learning environments. This data also assists school boards with prioritizing their capital planning. During 2004-05, $222 million in capital funding was provided to school boards to preserve, upgrade or replace existing school infrastructure, and to build new facilities. Of this amount, $40 million was provided under the Infrastructure Maintenance Program to enable school boards to undertake projects that will extend the useful life of a school. As a result, in 2004-05, 97% of schools were rated in acceptable ("good" or "fair") physical condition, exceeding the target of 95%. If sufficient investments continue to be made in revitalizing, replacing or closing older facilities, the overall condition of school facilities will continue to increase. The proportion of schools rated as "good" increased, from 52% in 2003-04 to 61% in 2004-05. 36% of schools were rated in "fair" condition, down 6% from the 2003-04 result. The 2003-04 results are based on data from the evaluations of all schools that took place in 1999-00. Results for 2004-05 are based on the 1999-00 evaluations with updated results for 217 schools that were recently re-evaluated.

Physical Condition of Schools



School infrastructure was expanded to support learning in Alberta. Seven new schools were opened during 2004-05, including the Trillium Centre in Sherwood

GOAL TWELVE

Alberta will have effective and sustainable government-owned and supported infrastructure

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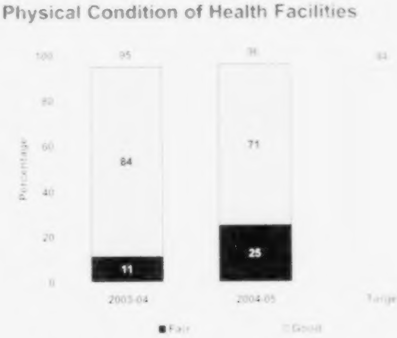
Physical Condition of Health Facilities

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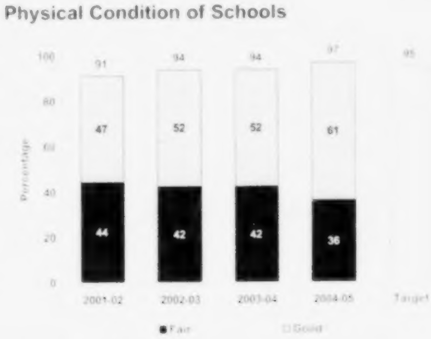
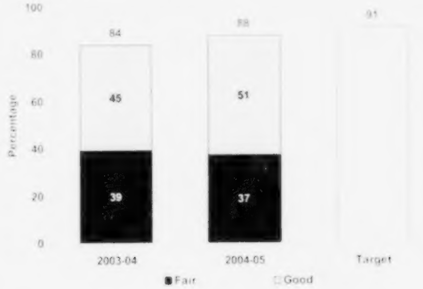

Physical Condition of Schools

School infrastructure was expanded to support learning in Alberta. Seven new schools were opened during 2004-05, including the Trillium Centre in Sherwood

Park, a successful partnership to develop a multi-use facility that will accommodate the local public and Catholic school boards, as well as program staff for the local Child and Family Services Authority.

The government also measures the physical condition of post-secondary institutions to assist with establishment of priorities, funding decisions, and the development of long-term facility management and capital plans. The boards of institutions and the government jointly share responsibility for the condition of post-secondary facilities. Work continued towards completion of the Health Research Innovation Centres at the Universities of Alberta and Calgary. The University of Alberta's Natural Resource Engineering Facility and the Portage College Power Engineering Centre were completed. Several other projects were initiated including the replacement of Donald Cameron Hall at the Banff Centre and the multi-campus Northern Alberta Institute of Technology (NAIT) Centre for Apprenticeship Technologies. In 2004-05, 88% of post-secondary institutions were rated in acceptable condition, an improvement over the previous 2003-04 result of 84%, but short of the 2004-05 target of 91%. A significant portion of the improvement can be attributed to a change in institutions re-classifying recommended remedial events from maintenance items to functional upgrades, which are not included in the measure.

Physical Condition of Post-Secondary Institutions

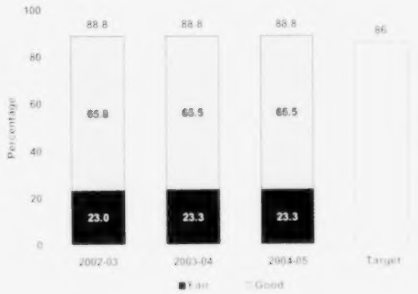


97% of government-owned and operated buildings rated acceptable

Physical Condition of Government-Owned and Operated Buildings (over 1,000 m²) - The percentage of government-owned and operated facilities over 1,000 gross square metres that were rated in acceptable physical condition in 2004-05 was 97%, meeting the target and maintaining the previous year's results. Although the results have been steady over the past two years, many government-owned and operated facilities were built between 1975 and 1985 and are approaching a time when major upgrading or refurbishment will be required to maintain them. There was an increase in the percentage of facilities rated in "fair" condition from 49% in 2003-04 to 53% and a decrease in the percentage of facilities rated in "good" condition from 47% in 2003-04 to 44%.

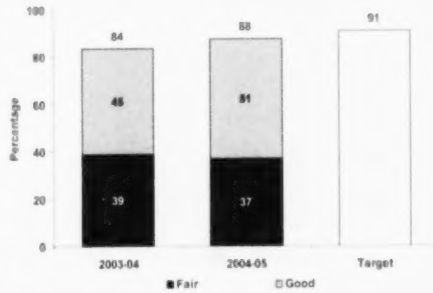
Physical Condition of Provincial Highways - In 2004-05, 88.8% of highways under provincial jurisdiction were in acceptable physical condition. These results exceeded the target of 86% as work activities corrected more roadways than anticipated. Of the 88.8% in acceptable condition, 65.5% were considered to be in "good" condition and 23.3% in "fair" condition. The percentage in "good" and "fair" condition did not

Physical Condition of Provincial Highways



Park, a successful partnership to develop a multi-use facility that will accommodate the local public and Catholic school boards, as well as program staff for the local Child and Family Services Authority.

Physical Condition of Post-Secondary Institutions

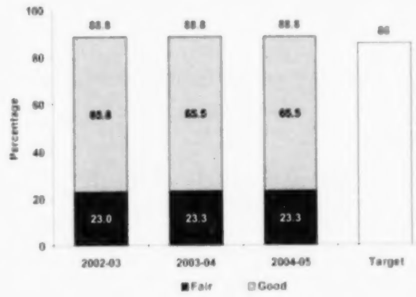


The government also measures the physical condition of post-secondary institutions to assist with establishment of priorities, funding decisions, and the development of long-term facility management and capital plans. The boards of institutions and the government jointly share responsibility for the condition of post-secondary facilities. Work continued towards completion of the Health Research Innovation Centres at the Universities of Alberta and Calgary. The University of Alberta's Natural Resource Engineering Facility and the Portage College Power Engineering Centre were completed. Several other projects were initiated including the replacement of Donald Cameron Hall at the Banff Centre and the multi-campus Northern Alberta Institute of Technology (NAIT) Centre for Apprenticeship Technologies. In 2004-05, 88% of post-secondary institutions were rated in acceptable condition, an improvement over the previous 2003-04 result of 84%, but short of the 2004-05 target of 91%. A significant portion of the improvement can be attributed to a change in institutions re-classifying recommended remedial events from maintenance items to functional upgrades, which are not included in the measure.

97% of government-owned and operated buildings rated acceptable

Physical Condition of Government-Owned and Operated Buildings (over 1,000 m^2) - The percentage of government-owned and operated facilities over 1,000 gross square metres that were rated in acceptable physical condition in 2004-05 was 97%, meeting the target and maintaining the previous year's results. Although the results have been steady over the past two years, many government-owned and operated facilities were built between 1975 and 1985 and are approaching a time when major upgrading or refurbishment will be required to maintain them. There was an increase in the percentage of facilities rated in "fair" condition from 49% in 2003-04 to 53% and a decrease in the percentage of facilities rated in "good" condition from 47% in 2003-04 to 44%.

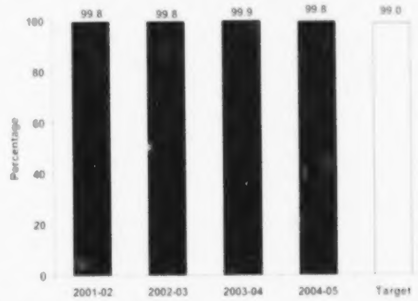
Physical Condition of Provincial Highways



Physical Condition of Provincial Highways - In 2004-05, 88.8% of highways under provincial jurisdiction were in acceptable physical condition. These results exceeded the target of 86% as work activities corrected more roadways than anticipated. Of the 88.8% in acceptable condition, 65.5% were considered to be in "good" condition and 23.3% in "fair" condition. The percentage in "good" and "fair" condition did not change from last year's results, however, there is much work that must be done to keep Alberta's highways in their present condition. Approximately 7,000 km of Alberta's paved provincial highways are approaching an age where rehabilitation/reconstruction must be considered.

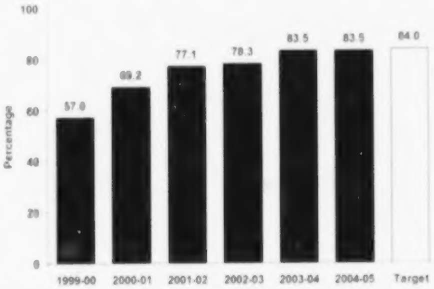
Utilization of Provincial Highways - In 2004-05, 99.8% of the Provincial Highway System under provincial jurisdiction facilitated good traffic flow and was properly utilized, exceeding the target of 99%. However, Alberta's rapid population and economic growth promotes urban expansion and heightens traffic volumes, which can lead to safety concerns and impact future years' results.

Utilization of Provincial Highways



Construction Progress on the North-South Trade Corridor - Alberta's North-South Trade Corridor is a key component of the Canada, America, Mexico (CANAMEX) Corridor and is vital to the efficient movement of goods across the Canada-United States border. In 2004-05, 83.5% of Alberta's North-South Trade Corridor was twinned and open to travel, the same results as the previous year, not achieving the target of 84%. Although targeted work is substantially completed, adverse weather in 2004 prohibited completion in time for opening to traffic. It is anticipated that this targeted section will be open to traffic by the summer of 2005.

North-South Trade Corridor



18.2% of ring roads in Edmonton and Calgary open to travel

Ring Roads in Edmonton and Calgary - The ring roads in the cities of Calgary and Edmonton are priority projects for the government to improve the safety, capacity and efficiency of the provincial transportation system. These ring roads are integral components of the Trans-Canada Highway and the Trans-Canada Highway Yellowhead Route through the province. Calgary's population is projected to reach 1.25 million by 2024 with considerable traffic growth during the same period. Completion of the ring road will provide a high-standard alternate route bypassing the city core. Construction of Anthony Henday Drive, a major part of the Edmonton ring road, will provide a bypass route around the city and divert truck traffic to relieve congestion on existing urban routes.

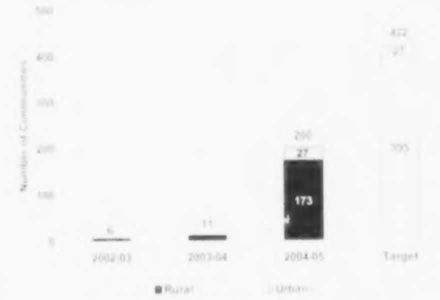
In 2004-05, 18.2% of the ring roads in Edmonton and Calgary were open to travel, the same results as the previous year, falling short of the 22% target. This is mainly due to the fact that original forecasts assumed opening portions of the southwest leg of Anthony Henday Drive. Changes in strategy led to the conclusion that this would not be of substantial benefit and that the entire southwest leg would be opened in 2006.

GOAL TWELVE

Alberta will have effective and sustainable government-owned and supported infrastructure

SuperNet Completion - Alberta SuperNet is a high-speed, high-capacity network that links government offices, schools, healthcare facilities and libraries in communities across the province, enhancing capabilities for e-learning, e-health and e-commerce.

SuperNet Access

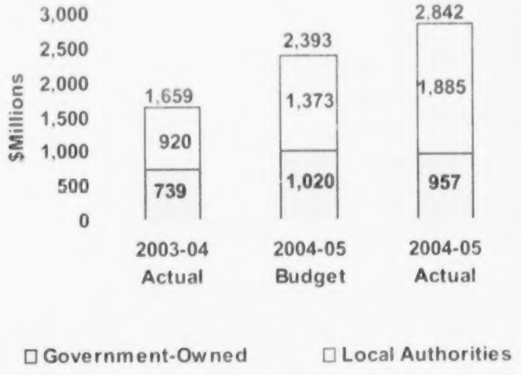


The government-owned portion of SuperNet is comprised of rural communities, of which 173 are connected, up substantially from 11 communities that were connected in 2003-04. The portion of SuperNet that is financed and owned by Bell West is comprised of 27 urban communities, all of which are now connected. As building of SuperNet progressed, the government identified seven additional rural communities for the network, increasing the total number of communities from 422 to 429 across Alberta.

99.5% of water management infrastructure rated as "fair", "good" or "excellent"

Physical Condition of Water Management Infrastructure - The government is committed to effectively managing the province's water management infrastructure, which includes headworks, dams and irrigation canals. The percentage of the province's water management infrastructure in "fair", "good" or "excellent" physical condition increased from 95.9% in 1999 to 99.5% in 2004. The three external factors that affect the results for this measure are: necessary upgrades to water management infrastructure; costly damage to water management infrastructure from flood or other acts of nature; and changes in legislation that require costly alterations to water management infrastructure. The Carseland/Bow River Headworks project received a mid-year reallocation that accelerated progress towards completion.

Capital Plan

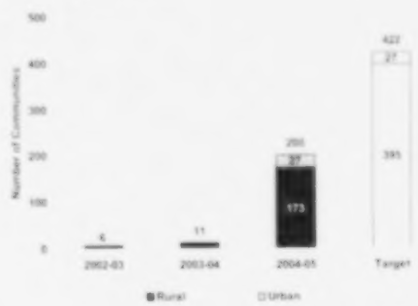


This goal includes Capital Plan spending which is the total value of capital being acquired or directly supported by the provincial government. It includes grants to local authorities for capital purposes, which are also included in Goals 1 to 11, spending on provincial government-owned capital, and the value of projects being alternatively financed. It does not include capital amortization and financing costs.

GOAL TWELVE

Alberta will have effective and sustainable government-owned and supported infrastructure

SuperNet Access



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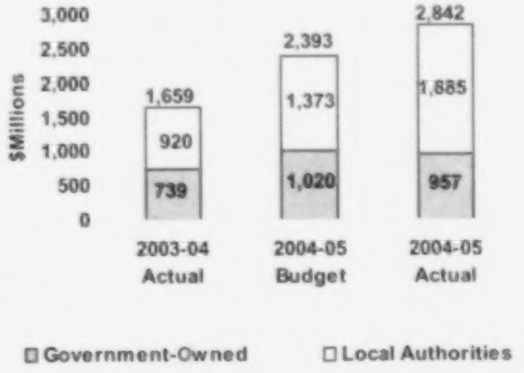

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GOAL TWELVE 12

Alberta will have effective and sustainable government-owned and supported infrastructure

Measures

	2004-05 Targets	Current Results	Previous Results
Physical Condition of Health Facilities - Percentage of health facilities in acceptable ("fair" or "good") condition.	94%	96% (2004-05)	95% (2003-04)
Physical Condition of Learning Facilities - Percentage of schools in acceptable ("fair" or "good") condition.	95%	97%e (2004-05)	94%e (2003-04)
Percentage of post-secondary institutions in acceptable ("fair" or "good") condition.	91%	88%e (2004-05)	84%e (2003-04)
Physical Condition of Government-Owned and Operated Buildings (over 1,000 m^2) - Percentage of government-owned and operated buildings in acceptable ("fair" or "good") condition.	97%	97% (2004-05)	96% (2003-04)
Physical Condition of Provincial Highways - Percentage of provincial highways in acceptable ("fair" or "good") physical condition of pavements.	86%	88.8% (2004-05)	88.8% (2003-04)
Utilization of Provincial Highways – Percentage of Provincial highways that accommodate current traffic volumes to the required Level of Service*.	99%	99.8% (2004-05)	99.9% (2003-04)
Construction Progress on the North-South Trade Corridor - Percentage of four-lane highway open to travel.	84%	83.5% (2004-05)	83.5% (2003-04)
Ring Roads in Edmonton and Calgary – Percentage of ring roads open to travel.	22%	18.2% (2004-05)	18.2% (2003-04)
SuperNet Completion – Access to SuperNet available to:			
Rural Communities	395	173**	11
Urban Communities	27	27 (2004-05)	0 (2003-04)
Physical Condition of Water Management Infrastructure - Percentage in acceptable ("fair", "good" or "excellent") condition. Includes headworks, dams and irrigation canals.	96%	99.5%*** (2004)	95.9% (1999)

e Estimate.
* "Level of Service" – Traffic flow is not severely restricted in peak hour traffic.
** Includes communities where internet service providers may begin to offer commercial services and where SuperNet facilities are online and operational.
*** Majority of all assets inspected in 2004.

Additional information on methodology and data for each of the measures is provided in the Appendix.

Cross-Ministry Initiatives

Aboriginal Policy Initiative

In September 2000, *Strengthening Relationships: The Government of Alberta's Aboriginal Policy Framework* outlined a vision in which "...strong, sustainable Aboriginal economies support self-reliant First Nations, Metis and other Aboriginal communities and people." One key to achieving this vision is addressing existing social and economic disparities between Aboriginal people and other Albertans.

Increasing the participation of Aboriginal people in the provincial economy is one way to improve the social and economic circumstances of Aboriginal communities. Aboriginal youth are the fastest-growing segment of the Alberta labour force. Education and training of Aboriginal youth contribute to individual and community self-reliance and assist in addressing skilled labour shortages in Alberta. The Aboriginal Policy Initiative (API) focuses on building partnerships, developing collaborative and practical solutions, and strengthened relations between government, Aboriginal communities, industry and other partners. Partnerships and relationships are the foundation for long-term solutions to the complex issues involved in improving the well-being and self-reliance of Aboriginal communities and people in Alberta.

The champion ministries for the API are Aboriginal Affairs and Northern Development, Justice, and Children's Services. Other partnering ministries are: Advanced Education, Health and Wellness (with the Alberta Alcohol and Drug Abuse Commission and the Alberta Mental Health Board), Education, Energy, Community Development, Infrastructure and Transportation, Human Resources and Employment, Sustainable Resource Development, Economic Development, Municipal Affairs, and Solicitor General. Other Alberta ministries are involved in addressing Aboriginal issues and participate in specific Aboriginal initiatives. The four API objectives for 2004-05 are outlined in the table, with targets and results achieved for 2004-05.

Other noteworthy accomplishments in support of the API objectives this year included:

- **Mobile Diabetes Screening Initiative** to improve access to prevention and treatment of diabetes for geographically isolated Albertans. The program is available in 12 off-reserve Aboriginal and remote communities.
- **Fire Prevention Initiatives** to address the increased risk of fire-related deaths, injuries and property damage in Aboriginal communities. Initiatives in 2004-05 included training and education, development of communication protocols, reduction of forest fire hazards in Aboriginal communities, and updating of the fire control agreement for Indian Reserves.
- **Youth Apprenticeship Program** to increase knowledge of career options among northern Alberta students. Over 240 students in five northern Alberta schools are enrolled in the program.
- **Partnerships between Aboriginal communities/organizations and industry**. In 2004-05, IBM Canada launched its "Aboriginal People in Technology" program and the Alberta Chamber of Resources launched its "Rewarding Partnerships" initiative to recognize leading partnership practices.
- **Alberta's First Aboriginal Tourism Roundtable** brought provincial and Aboriginal leaders together to discuss the growing demand for Aboriginal tourism. An Aboriginal Tourism Advisory Council will be established to advise the Minister of Economic Development on Aboriginal tourism development and marketing opportunities.
- **Journey to Success Business Planning Guide** to encourage entrepreneurship among Aboriginal women. The Guide, developed by Canada's Federal/Provincial/Territorial/Aboriginal forum, was adopted by the United Nations as a model for other countries.

Aboriginal Policy Initiative

PURPOSE: To improve the well-being and self-reliance of Aboriginal people and clarify federal, provincial and Aboriginal roles and responsibilities.

RELATED GOVERNMENT BUSINESS PLAN GOALS:

Goal 1 - Albertans will be healthy.
Goal 2 - Albertans will be well prepared for lifelong learning and work.
Goal 3 - Alberta's children and youth will be supported in reaching their potential.
Goal 5 - Aboriginal communities and people in Alberta will have improved social and economic circumstances.
Goal 7 - Alberta will have a prosperous economy.
Goal 9 - Alberta will be a fair and safe place to work, live and raise families.

MINISTRY CHAMPIONS: Aboriginal Affairs and Northern Development, Justice, Children's Services.

OBJECTIVE: **Improve the health status and well-being of Aboriginal people.**

TARGETS	RESULTS
Implement 52 new Aboriginal wellness initiatives.	Target exceeded. 56 new Aboriginal wellness initiatives implemented in 2004-05, addressing community-based primary health care, diabetes prevention, HIV awareness and prevention, tobacco reduction, and substance abuse awareness and prevention.
Initiate FireSmart projects in 15 Aboriginal communities.	Target met. During the 2003 and 2004 fire seasons, FireSmart projects, including fuel and hazard reduction and fire guard construction, were undertaken in 15 Aboriginal communities across Alberta. This was a two-year project to reduce forest fire hazards and improve Aboriginal participation in forest fire safety programs.
Provide 60,000 participant hours in recreation, sport and arts through the Alberta Future Leaders program.	Target exceeded. During 2004-05, the Alberta Future Leaders program provided 60,390 participant hours of recreation, sport and arts programming to youth in 12 Aboriginal communities.
Increase number of mentors in Aboriginal Youth mentoring pilot project sites by 15%.	Target exceeded. The number of mentors participating in four pilot project sites increased from 17 to 33, an increase of 94%.

OBJECTIVE: **Support life-long learning opportunities for Aboriginal people and promote appreciation of Aboriginal cultures.**

TARGETS	RESULTS
Increase percentage of Aboriginal Albertans aged 25-34 completing high school and post-secondary programs (establish baseline data).	Target met. Results from the 2004 Aboriginal Labour Force Survey show the following educational attainment rates for Aboriginal Albertans aged 25-34 living off-reserve: • 73% have completed high school; and • 41% have completed post-secondary education.
Provide 20 additional teacher training spaces for Aboriginal learners.	Target exceeded. 24 additional teacher training spaces were provided for Aboriginal learners through the Blackfoot Teacher Education Program at Red Crow College. 12 Aboriginal students continued in the Bachelor of Education program at the University of Lethbridge in 2004-05.

Aboriginal Policy Initiative

TARGETS	RESULTS
• 75% of 500 Provincial employees that participated in cultural awareness training report a better understanding of Aboriginal issues.	• Target exceeded. 824 provincial employees from six ministries participated in Aboriginal awareness training in 2004-05. • 603 participants completed evaluation questions related to their understanding of Aboriginal issues. • 96% of participants completing the evaluation question reported a better understanding of Aboriginal issues as a result of awareness training.
• Establish 5 new Aboriginal Junior Forest Ranger crews.	• Target exceeded. During the 2003 and 2004 fire seasons, six new Aboriginal Junior Forest Ranger crews were established. This was a two-year initiative to encourage increased participation of Aboriginal youth in the provincial Junior Forest Ranger Program.

OBJECTIVE: **Increase the participation by Aboriginal people in the Alberta economy.**

TARGETS	RESULTS
• Percentage of participants in First Nations Training to Employment Program employed post-intervention. Measure under development.	• Target met. Baseline data developed for both completion of training and employment outcomes for the 2003-04 First Nations Training to Employment Program: • 81% of 170 participants successfully completed training. • 83% of 138 participants successfully completing training were employed in the field for which training was taken three months after completion.
• Implement ongoing Aboriginal-specific Labour Force Survey and develop baseline data.	• Target met. The Aboriginal Labour Force Survey continued in 2004-05. The survey is conducted monthly by Statistics Canada, with results posted on Alberta Human Resources and Employment's website. • Data collected to date show consistently higher employment and economic participation rates for Métis people compared to North American Indians.
• Develop Aboriginal Workforce Participation Initiative (AWPI) project with Provincial, Federal, Aboriginal and private sector partners.	• Target met. A joint federal-provincial AWPI conference in June 2004 was attended by more than 200 employers. • The City of Grande Prairie signed an AWPI agreement with Alberta and Canada in March 2005.
• Complete SuperNet build to eligible First Nations (42) wanting service (eligible First Nations are those with provincial learning institutions or health facilities).	• Target in progress. 44 Alberta First Nations have requested SuperNet service at 125 sites. • In 2004-05, construction was completed to 97 sites on 36 First Nations. • The SuperNet build is expected to be complete by September 30, 2005.

Aboriginal Policy Initiative

OBJECTIVE: **Clarify federal/provincial/Aboriginal roles and responsibilities.**

TARGETS	RESULTS
• Test draft Aboriginal Policy Checklist in selected Alberta ministries.	• Target met. The draft Aboriginal Policy Checklist was tested in five ministries during 2004-05. • The draft checklist was revised as a result of testing and will be available for government-wide use in 2005-06.
• Develop, with Aboriginal communities and industry, cross-ministry guidelines for Aboriginal consultation regarding resource development and land management.	• Target in progress. A proposed Alberta consultation policy was developed with extensive input from First Nations and industry. • Guidelines for consultation regarding resource development and land management are being developed, pursuant to the proposed policy.
• Support 5 traditional use studies in Aboriginal communities.	• Target exceeded. Alberta supported 27 traditional use studies involving 34 Aboriginal communities in 2004-05.

CROSS-
MINISTRY
INITIATIVE

ACYI

Alberta Children and Youth Initiative

Alberta continues to have the youngest population of all the provinces, with nearly 841,000 children and youth 19 years old and younger - representing almost 30% of the total population.

Children and youth who are healthy, well cared for, and educated, grow up to be active community-minded and contributing adults. The services needed to effectively support children and youth are varied and are provided by multiple ministries, authorities, and community organizations. Meeting the needs of Alberta's children and youth requires an integrated effort by all these partners.

2004-05 marks the sixth year of the Alberta Children and Youth Initiative (ACYI), a collaborative partnership of government ministries working together on issues affecting children and youth. Its vision ensures that Alberta's children and youth will be supported in reaching their potential (Goal 3: *2004-07 Government of Alberta Strategic Business Plan*). In addition to Goal 3, the ACYI contributes to the following Alberta Government business plan goals:

- Goal 1: Albertans will be healthy.
- Goal 2: Albertans will be well prepared for lifelong learning and work.
- Goal 9: Alberta will be a fair and safe place to work, live and raise families.

In addition to the ministry champions of Children's Services, Education, and Health and Wellness (together with the Alberta Alcohol and Drug Abuse Commission and the Alberta Mental Health Board), partnering ministries include Aboriginal Affairs and Northern Development, Community Development, Human Resources and Employment, Justice and Attorney General, Seniors and Community Supports, and Solicitor General.

The ACYI has consistently been a priority cross-ministry initiative since its introduction in 1998. The following indicators of success demonstrate the difference ACYI partners are making and will continue to make through collaborative efforts.

- Children are born healthy.
- Children are ready to learn when they start school.
- Children and youth practice healthy behaviours.
- Children and youth succeed in school.
- Youth are successful in the transition to adulthood.
- Parents are provided with resources to meet the needs of their children.
- Children and youth are safe and free from abuse or neglect.
- Aboriginal children and youth receive supports that are responsive to their cultural needs.

Based on key issues identified by families, communities, regional authorities and partnering ministries, the ACYI focused on four priorities in 2004-05:

- ensuring that children and youth are well cared for, safe, successful at learning, and healthy;
- supporting integrated planning and delivery of services for children and youth with special and complex needs;
- supporting children and youth through the transitions in their lives; and
- supporting regions to integrate and enhance the delivery of services to children and youth.

The following pages provide details on the four priority areas that ACYI partnering ministries collaboratively worked on during 2004-05, along with the targets set and the results achieved. In addition to these priority areas, ACYI ministries continued to coordinate and support several key partnership initiatives, including Student Health Initiative, Fetal Alcohol Spectrum Disorder, Prevention of Sexual Exploitation of Children and Youth (Protection of Children Involved in Prostitution), Children's Mental Health, and Early Childhood Development.

Alberta Children and Youth Initiative

PURPOSE: Support the healthy development of Alberta's children and youth through the joint efforts of provincial government ministries, local authorities and boards, families and communities.

RELATED GOVERNMENT BUSINESS PLAN GOALS:

Goal 1 - Albertans will be healthy.
Goal 2 - Albertans will be well prepared for lifelong learning and work.
Goal 3 - Alberta's children and youth will be supported in reaching their potential.
Goal 9 - Alberta will be a fair and safe place to work, live and raise families.

MINISTRY CHAMPIONS: Children's Services, Education, Health and Wellness

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OBJECTIVE: **Children and youth will be well cared for, safe, successful at learning and healthy.**

TARGETS	RESULTS
• Development of provincial prevention and protection strategies to better support children and youth who are exposed to family violence.	• Following an extensive consultation process involving approximately 3,500 Albertans, the provincial government released its report: Finding Solutions Together. The report outlines five key areas for action: social change; provincial leadership; collaborative, coordinated community response; services and supports; and accountability. • Developed a government approved Family Violence and Bullying business plan. • Under the leadership of the ACYI partnering ministries, began to develop and implement a cross-ministry Bullying Prevention Strategy.
• Phased implementation of a strategic plan for the prevention of sexual exploitation of children and youth, including implementation of an integrated child and youth sexual exploitation unit.	• Began to implement the Strategic Plan for the Prevention of Sexual Exploitation of Children and Youth, focusing on four key areas: education/awareness; prevention/protection; enforcement; and research/training, including initial planning for an Integrated Child Exploitation Unit.
• Parent Resource Centres established in areas of critical need across the province.	• Established 20 Parent Link Centres in 2004-05, including two Aboriginal-focused centres. Parent Link Centres provide parents and their children with the necessary supports to ensure that children come to school ready to learn and parents have the supports they need to help their children develop and fulfill their potential.

• Percentage of Alberta children demonstrating healthy social and emotional development (maintain or improve level in relation to national average).	• Alberta children rank above the national average in demonstrating healthy social and emotional development.
	  • 85.9% of Alberta children demonstrate healthy social development compared to the national average of 84%.
	  • 85% of Alberta children display healthy emotional development compared to the national average of 82.2%.

Alberta Children and Youth Initiative

OBJECTIVE: **Families with children and youth with special and complex needs (developmental disabilities, physical and sensory disabilities, health conditions and/or emotional/behavioural disabilities) will benefit from coordinated assessments of needs and integrated planning and delivery of services and supports.**

TARGETS	RESULTS
• 80% of families surveyed indicate they were able to access information on available resources through a 1-800 Children's Disability Information Line (connected with Health Link) and resource guides.	• Launched the province-wide Child Disability Resource Link in August 2004 to give callers information about a wide range of provincial and community services and supports for children and youth with disabilities and their families. • 92% of callers surveyed indicated the resource information provided was helpful. • Developed a resource guide to provide parents of children with disabilities with information on available resources and responses to commonly asked questions.
• Development of a multi-disciplinary assessment service delivery model in 2 sites (Edmonton and Calgary) to assess needs and plan for appropriate services and supports for children and youth with special and complex needs.	• Established multi-disciplinary assessment teams and processes in Edmonton and Calgary with an initial focus on reviewing services for children with Autism. The teams expanded their focus on assessing needs and planning services for other children and youth with severe disabilities.
• Development of a cross-ministry strategic approach to address issues related to speech-language services such as availability, increased demand and alternative delivery methods.	• Developed a cross-ministry strategic approach to address issues related to speech-language services in Alberta, including goals and strategies to address seven key issues identified by stakeholders.

OBJECTIVE: **Children and youth are supported and assisted in making successful transitions in their life, from birth to adulthood.**

TARGETS	RESULTS
• Educational and training resources for youth distributed to 100% of partnering ministries, authorities and boards, and key stakeholders.	• Developed and distributed a Learning, Employment, and Career Resources Youth Services Directory. The Directory provides a comprehensive listing of Government of Alberta education and training programs for youth (15 - 24 years).
• Guidelines developed for people who work with children and adolescents that address key components for effective transitional planning, including educational, social, health, recreation, and other required supports.	• Developed Guidelines for Supporting Successful Transitions for Children and Youth, to help parents, social workers, teachers, and health workers as they assist children and youth to make transitions in their lives.
• 3 pilot communities established to identify and respond to the needs and priorities of communities in addressing the prevention of Aboriginal youth suicide.	• As part of the ongoing implementation of the Aboriginal Youth Suicide Prevention Strategy, established three pilot sites involving eight communities: Lethbridge and the surrounding First Nations; High Prairie and the surrounding Métis Settlements; and Eden Valley First Nation. The pilot communities have developed action plans tailored to local needs and resources.

Alberta Children and Youth Initiative

OBJECTIVE: **Ministries and regions increase their capacity to collaboratively plan and deliver services that promote the well-being of children, youth, and families.**

TARGETS	RESULTS
• Guidelines developed for 100% of regions that include identification of regional processes, reporting requirements and structures required to assist with local coordination of cross-sector initiatives.	• In consultation with regions, developed guidelines for all regions, to facilitate planning and delivery of child and youth initiatives at the local level.
• Regions report involvement in 100% of the planning of cross-ministry initiatives under the Alberta Children and Youth Initiative.	• Regions reported 100% involvement in the planning of cross-ministry initiatives under the Alberta Children and Youth Initiative.

Economic Development Strategy

Alberta's economy continued to perform at an impressive level in 2004. While the rest of Canada struggled from the negative effects of a rising dollar and high energy prices, Alberta's strong oil and gas sectors combined with high growth in manufacturing, wholesale/retail and commercial services allowed Alberta to maintain its leading economic position. In 2004, Alberta demonstrated one of the highest economic growth rates and the lowest unemployment rate among all provinces.

In order to achieve these successes, several key challenges needed to be addressed: promoting a diversified and prosperous economy; enhancing Alberta's international competitiveness; and addressing shortages of skilled labour. The 2004-05 Economic Development Strategy was developed as a collaborative cross-ministerial initiative to address these challenges and to help set the foundation for Alberta to continue to lead the rest of the country on both economic and social fronts. It followed upon Alberta's economic development strategy, *Get Ready Alberta - Strengthening the Alberta Advantage*, which was first named a priority policy cross-ministry initiative in 2000-01. Over the years, the Economic Development Strategy has evolved and has remained a priority cross-ministry initiative capturing specific pressing issues requiring a collaborative approach such as innovation, regional economic development and labour force supply and skills.

The Economic Development Strategy provides a framework to inform cross-ministerial business planning activities from a broader more integrated perspective. The Strategy supports *Today's Opportunities, Tomorrow's Promise: A Strategic Plan for the Government of Alberta* and Goals 7 and 2 of the 2004-07 Government of Alberta Business Plan - "Alberta will have a prosperous economy" and "Albertans will be well prepared for lifelong learning and work."

Alberta's 2004-05 Economic Development Strategy had three objectives:

- To achieve a more sustainable, broadly based economy built on the strengths of our natural and human resources;
- To build a rural Alberta that has vibrant and sustainable communities; and
- To ensure a sufficient supply of human capital to meet Alberta's economic growth.

All of the objectives build on the value-added strategy *Securing Tomorrow's Prosperity*. *Securing Tomorrow's Prosperity* fits within the long-range *Government of Alberta Strategic Business Plan* and is the "Prosperity" cornerstone to achieve the economic components of the plan. The second objective also encourages rural partnerships and regional cooperation as a driving force for rural growth and sustainability.

The 2004-05 Economic Development Strategy has realized numerous successes. In addition to the results described in the table below, other notable achievements for 2004-05 in support of the Economic Development Strategy's objectives include:

- Alberta's cities were ranked among the most competitive in the world in a 2004 KPMG study, which compared the international cost competitiveness of 115 cities worldwide.
- International firms including Dell and Imperial Oil announced their intention to locate offices in Alberta, resulting in the creation of new jobs for Albertans.
- Increased international interest was stimulated in Alberta's oil sands with $80 billion of investments announced for 2004 to 2020. The U.S. Department of Energy recognized that Canada has the second largest oil reserves in the world at 174.5 billion barrels of proven oil reserves.
- Government, working with private industry, developed a vision for the hydrocarbon industry, which could add $16 billion to the Alberta economy in the future.

- Alberta and B.C. Government collaboration resulted in the development of a B.C. Ports Strategy, which will allow quick and affordable access for Alberta exports through B.C. ports.
- The elimination of the Alberta aviation fuel tax on international passenger and cargo flights made Alberta a more accessible and economical destination for visitors and business.
- Three new Regional Economic Development Alliances (REDAs) were supported. As a result, 230 communities and 2.85 million Albertans are now represented through the REDA network.

Economic Development Strategy

PURPOSE: A future of opportunity in a province that's unmatched through ministries working together with business, industry, communities, other governments and public institutions, employees and other stakeholders.

RELATED GOVERNMENT BUSINESS PLAN GOALS:
Goal 2 - Albertans will be well prepared for lifelong learning and work
Goal 7 - Alberta will have a prosperous economy

MINISTRY CHAMPIONS: Economic Development, Agriculture, Food and Rural Development, Human Resources and Employment, Innovation and Science

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OBJECTIVE: **To achieve a more sustainable, broadly based economy built on the strengths of our natural and human resources.**

TARGETS	RESULTS
Create 45,000 net new jobs in 2004.	Significant progress was made. Despite the lowest unemployment rate in the country, the economy created 40,000 jobs in 2004. Alberta remained far ahead of the Canadian average for job creation. Alberta created 12.5 new jobs per thousand population compared to the Canadian average of 8.9 new jobs.
10.8% investment in machinery and equipment as a percent of GDP.	In 2003, investment and machinery accounted for 12.7% of GDP. Although final data for 2004 is not yet available, recent estimates indicate that investment in machinery and equipment remained strong in 2004.
2.1% increase in manufacturing GDP per hour worked.	Confirming data is not yet available. However, based on the strong growth in manufacturing shipments and in exports of manufactured goods over the past year, the target is expected to be achieved. Various initiatives were implemented to enhance productivity among manufacturers.
$1.9 billion increase in manufacturing and service exports to $22.7 billion.	The target was exceeded as manufacturing and service exports increased by 18% in 2004 to $25 billion. Manufacturing exports grew by 22% and service exports by an estimated 7.8%. Food, feed and beverages, wood products, chemicals and primary metal products experienced very strong growth in 2004, as did tourism and transportation service exports.

Economic Development Strategy

TARGETS	RESULTS
20.7% share of GDP in manufacturing and business and commercial services.	The overall share of GDP in manufacturing and business and commercial services is expected to have reached 21% in 2004. Recent estimates suggest that manufacturing GDP grew by 6.7% in 2004 compared to an estimated 4.4% growth for overall GDP. Commercial services, at 5.4%, also rose at a higher level than overall GDP.
Increase investment in sponsored research from all sources at Alberta universities to $492 million.	The target was exceeded. Alberta universities have been very successful in attracting resources. In 2003-04, they attracted $583 million in sponsored research funding. Data for 2004-05 will be available in late 2005.
84% of the North-South trade corridor (BC border west of Grande Prairie to Coutts) is open to four-lane traffic.	In 2004-05, 83.5% of Alberta's North-South Trade Corridor was twinned and open to travel. Although targeted work is substantially completed, adverse weather in 2004 prohibited completion in time for opening to traffic. It is anticipated that this targeted section will be open to traffic by spring/summer of 2005.
$300 million increase in tourism revenues to $5.3 billion in 2004.	Alberta's tourism industry rebounded from a difficult year in 2003 and tourism revenues increased by $315 million in 2004. The new 4% Tourism Levy, with the funds used for tourism marketing and development, will translate into increased tourism revenues in future years.

OBJECTIVE: **To build a rural Alberta that has vibrant and sustainable communities.**

TARGETS	RESULTS
Develop baseline data on the satisfaction of rural Albertans with regards to health, education, economic development, community infrastructure and other elements of sustainability.	This target was achieved. Considerable work has already been undertaken by ministries to compile survey results with information on the satisfaction of rural Albertans with their social and economic lives.
Develop an arrangement with federal and provincial partners to deliver the Agriculture Enterprise Program under the Agricultural Policy Framework agreement.	Agriculture, Food and Rural Development and Agri-Food Canada signed a five-year agreement on agriculture and agri-food. Alberta is the first province to sign such an agreement with the federal government.
Eight significant regional economic development projects in rural Alberta benefit from cross-ministry support.	Eight regional economic development projects were identified as benefiting from cross-ministry support. All are underway and at various stages of implementation. For example, under the Provincial Nominee Program, Alberta employers are able to attract and retain foreign workers in high needs occupations. 37% of Program nominees are located outside Edmonton and Calgary.

Economic Development Strategy

TARGETS	RESULTS
Establish watershed planning and advisory councils for the Milk, Oldman, Bow, Red Deer, Battle, North Saskatchewan, Cold Lake - Beaver River, and Slave Lake watersheds.	Considerable progress has been made and Watershed Planning and Advisory Councils (WPACs) are now in place for the North Saskatchewan, Bow River and Oldman River Basins. WPACs will be established in four more watersheds by 2006-07 and in Milk River and Athabasca by 2009-10.
Alberta SuperNet will be available to 422 communities and 4,656 schools, hospitals, libraries and provincial buildings.	As of March 31, 2005 Alberta SuperNet construction was complete in over 95% of Alberta SuperNet communities with the remaining construction scheduled or underway. It is anticipated that most government, health, library and education facilities will be connected by June 30, 2005, with the total network operational by September 30, 2005. Over 15% of Alberta SuperNet facilities are already using the network and more are going live each week.
33% of adult Albertans in rural areas, aged 17+, participate in education or training.	The recent 2005 survey indicates that 30% of adult Albertans in rural areas participate in education or training. Given the strong economy, some Albertans have chosen highly paid employment opportunities over continuing their education or training. Over 2004-05, Advanced Education embarked on an aggressive campaign to raise awareness of the importance of post-secondary learning. This should translate to higher participation rates in future years.
An Alberta bio-strategy is developed to identify new bio-mass energy project opportunities and a minimum of 3 projects successfully operating in Alberta by the end of 2004.	An Alberta Bio-energy Strategy has been developed. The government decision to deregulate electrical energy created a policy environment that was the catalyst for numerous bio-energy projects now operating successfully.

OBJECTIVE: **To ensure a sufficient supply of human capital to meet Alberta's economic growth.**

TARGETS	RESULTS
Increase support to the Aboriginal off-reserve labour statistics study.	The Aboriginal Labour Force Survey is now in place. It supplies monthly labour statistics for Aboriginal people living off-reserve in Alberta. Alberta is the only province collecting this data. This is a collaborative target with the Aboriginal Policy Initiative.
Percentage of participants who indicate their training helped prepare them for future employment (under development).	The methodology for this measure has been developed and baseline data is being collected. The data will be available for public reporting in June 2005.
90%+ of Albertans aged 25-34 have completed high school.	90% of Albertans aged 25 to 34 have completed high school in 2004. The long-term trend shows a gradual and steady increase in the percentage of Albertans in this age group who have completed high school.

Economic Development Strategy

TARGETS	RESULTS
60% of Albertans aged 25-34 have a post-secondary education.	Alberta has one of the most educated populations in Canada. In 2004, 57% of Albertans completed some form of post-secondary education. Participation rates have in part been affected by the strong economy with potential students choosing well paid employment opportunities over the pursuit of higher education. Post-secondary education has now been identified as a top priority for the Alberta government. This in turn should improve future participation rates.
The labour force participation rate remains the highest among all provinces in Canada.	Alberta has led this category for many years. Alberta's labour force participation rate at 73.6% remained by far the highest among provinces, well ahead of both second-place Manitoba (69.0%) and the Canadian average (67.6%).
Total net migration to Alberta remains the highest among all provinces in Canada.	In 2004, Alberta had a total of 11,600 net inter-provincial migrants, representing the highest net inter-provincial migration among all provinces. This is the eighth consecutive year that Alberta has maintained the highest net inter-provincial migration gain in Canada. However, inter-provincial migration to Alberta is increasingly being challenged by the strengthening economy in B.C.
Employer agreement that the learning system provides an adequate supply of graduates: (available in 2004).	2003-04 data indicates that 72% of employers agreed that the learning system provided an adequate supply of graduates. New data from the bi-annual survey will be available in 2006.

Health Sustainability Initiative

The Health Sustainability Initiative has once again strengthened collaboration across the provincial government, building understanding of shared responsibility for health and a more innovative and sustainable health system.

Overall, Albertans have a good health care system. Great progress has been made to reduce waitlists, improve patient safety and increase access to local primary care initiatives. However, the system also faces many pressures. These include increasing rates of chronic disease, escalating costs for new drugs and technologies, a growing and aging population, rising demand for health services, and mounting cost and scarcity of health human resources.

As a result, health consumes an increasing portion of annual provincial government expenditures. In 2004-05, the health budget rose to $8.41 billion, or 37.1% of total provincial spending. An additional $700 million was announced in June 2004 to improve access to health services.

Slowing the rate of growth will require a number of complementary strategies such as achieving a healthier population by reducing chronic disease and injury, focusing on the determinants of health, shifting to new models of care, and exploring innovations to further enhance and sustain the health system.

As such, in 2004-05, the Health Sustainability Initiative focused key efforts on:

- **Keeping Albertans healthy.** Chronic diseases such as heart disease, diabetes, cancer and chronic obstructive pulmonary disease, along with injuries resulting from falls and traffic collisions, are the leading causes of death and disability in Alberta. These often highly preventable diseases and injuries result in large treatment costs, losses in productivity and quality of life. Estimates show that the annual cost of diabetes to Albertans is in the range of $262 million and that the annual cost of all injuries in Alberta is approximately $1.8 billion. Implementation of comprehensive provincial strategies that support healthier behaviours and address key determinants of health was continued.
- **Offering the right service in the right place at the right time.** Strategies to provide appropriate health services included: continuing the shift to community-based services for continuing care and mental health, implementing systematic quality improvement to continuing care services, and increasing the supply of affordable supportive living.
- **Exploring integrated policy options for sustainability.** The Premier's Advisory Council on Health provided guidance on the need for government to explore options for system sustainability. Health and Wellness has the lead responsibility for sustaining an affordable, contemporary and responsive health system, however government-wide support and collaboration is needed. This initiative provides the opportunity for government to focus resources on policies and strategies that will address cost drivers, and more closely align health expenditures with government revenues.

Health Sustainability Initiative

PURPOSE: To enhance the sustainability of the health system now and in the future by strengthening policy integration and collaboration across ministries.

RELATED GOVERNMENT BUSINESS PLAN GOALS:

Goal 1 - Albertans will be healthy.

Goal 4 - Albertans will be self-reliant and those unable to provide for their basic needs will receive help.

Goal 8 - Alberta will have a financially stable, open and accountable government and a strong intergovernmental position in Canada

MINISTRY CHAMPIONS: Alberta Health and Wellness, Seniors and Community Supports, and Finance

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OBJECTIVE: **Optimize Albertans' health by working collaboratively to address factors that influence health.**

TARGETS	RESULTS
• All Regional Health Authorities will implement strategies to increase health-promoting behaviour, such as increased physical activity, improved eating practices, tobacco reduction and injury prevention, and Young Family Wellness Initiatives that support healthy child development.	Now that prevention strategies are developed, this year's goal of ensuring on-going implementation is achieved. All Regional Health Authorities (RHAs): • identified promoting and supporting healthy living and improving health status through chronic disease management as important strategic directions in their respective 2004-07 Health Plans; and • committed to identify annual targets, based on the Framework for a Healthy Alberta and specific to their region, in their 2005-08 Health Plans.
• Increase the percentage of women who are aware that alcohol use during pregnancy can lead to life-long disabilities in a child, from 89% to 90%.	• Alcohol use during pregnancy can cause brain damage, birth defects, low birth weight, learning and behavioral problems. The Government of Alberta is committed to preventing new cases of Fetal Alcohol Spectrum Disorder and has a coordinated approach to address it – through prevention and awareness in this initiative and through intervention strategies in the Alberta Children and Youth Initiative. • As a result, a series of information resources and campaigns targeted to women, health professionals and youth have been implemented, with awareness levels of at least 90% being achieved.
• Reduce prevalence of alcohol use during pregnancy among Alberta women from 3.9% to 2.5%.	• In the 2003 Framework for a Healthy Alberta, the government set a 10-year target to reduce alcohol consumption during pregnancy from 4% to 0% by 2013. This year's target, to reduce the prevalence of alcohol use during pregnancy among Alberta women from 3.9% to 2.5%, is in progress. Final data from 2004-05 will not be available until 2005-06. • Alberta Alcohol and Drug Abuse Commission implemented a series of programs for at-risk/pregnant women, providing resources to health and social service professionals, and funding new residential and outreach programs for women who abuse substances, and for their families.

Health Sustainability Initiative

TARGETS	RESULTS
10 Alberta government departments, businesses or other organizations will participate in the Healthy U @ Work program.	The target was exceeded, with 20 Alberta government departments, businesses and other organizations participating in the Healthy U @ Work program, adopting and promoting healthy practices at work.
55 (25%) Alberta villages, towns and cities will participate in the Healthy U Community Choosewell Challenge.	The target was exceeded as 62 villages, towns and cities across Alberta are participating in the Community Choosewell Challenge, encouraging their residents to make simple healthy choices regarding healthy living and daily physical exercise.
53,000 copies of English Express, including messages on healthy eating, active living and affordable activity for children, will be distributed free to 1,500 Alberta subscribers including libraries, English as a Second Language programs and adult literacy programs.	As a result of past cross-ministry work on the health challenges for low-income Albertans, it is recognized that more must be done to improve the health of recent immigrants and those with low literacy rates. As many in this group are taking language training, a special Healthy U insert was developed and released with the September edition of English Express, published by Alberta Advanced Education. The insert provided information on the importance of a healthy diet, activities available for children at no, or low cost, and access to supports and services. This target was achieved, as 53,000 copies of English Express, with this special insert, were distributed to the target audience.
Reduce the percentage of Alberta youth who smoke, from 17.9% to 16%.	This target was exceeded with the smoking rate among Alberta youth aged 12-19 years decreasing from 17.9% to 13.9%, according to data from the 2003 Canadian Community Health Survey. Several actions are underway to continue to reduce the percentage of Alberta youth who smoke. A range of tobacco prevention programs, which contributed to this achievement, have been implemented in schools across the province aimed at kids in grades 4-6, 7-9 and youth aged 15-18. Grants were also awarded to organizations implementing projects targeted at 18-24 year olds and to reduce smoking during pregnancy.
Three Alberta communities, including inner city/low-income communities, will be targeted to increase awareness about type 2 diabetes prevention, developing local resources through promotional activities.	The target was achieved. To complement the implementation of the Alberta Diabetes Strategy, a comprehensive and community-based approach to significantly reduce the incidence of type-2 diabetes was introduced in three communities – Edmonton/Norwood, Bonnyville/St. Paul and Medicine Hat. Coordinators were hired, a social marketing campaign was implemented and approximately 3,000 at-risk individuals were registered into the program and supported to increase physical activity and improve nutrition.

Health Sustainability Initiative

TARGETS	RESULTS
• Increase the percentage of Alberta seniors (65+) immunized for influenza, from 67.6% to 69%, while striving for the target of 75%.	• This target is in progress and projected to be achieved as a result of efforts underway. • Demand was up this year compared to last, with about 30% more vaccine, or 214,000 doses, being distributed to RHAs (as of December 13, 2004). Data on the actual number of seniors immunized in 2004-05 will not be available until June 2006. RHAs continued to immunize Albertans until April 1, 2005.

OBJECTIVE: **Increase the use of community-based options for the provision of continuing care and mental health services at the right time and by the right personnel.**

TARGETS	RESULTS
• Continue the shift so more Albertans over 75 years of age receive community-based continuing care services, reducing the ratio of those in institutions from 74.1 per thousand in 2002-03 to 72.0 per thousand in 2004-05.	• This target was exceeded – the number of Albertans in continuing care institutions decreased from 74.1 per thousand in 2002-03 to 70.5 per thousand (based on 2003-04 data). This trend is expected to continue in 2004-05 data. • Building on progress made last year, work continued with Seniors and Community Supports and RHAs to implement the Healthy Aging in Place strategy, shifting more Albertans in continuing care from facility-based to community-based streams of care.
• Implement a province-wide, seven-day coordinated access system for necessary continuing care services in 2004-06.	• The 2004-05 actions for this two-year target have been achieved. After regionalization of health services, there were some initial challenges for some continuing care patients who wished to move between regions. Significant progress on the implementation of a coordinated access system to improve access to continuing care across the province has been made. Work will be completed in the second year of this target.
• Introduce systematic quality improvement to continuing care services in 2004-06.	• The 2004-05 actions to introduce systematic quality improvement to continuing care services have been achieved. Significant progress was made including quality Alzheimers and Dementia training for continuing care staff; an increase of care hours per patient, and the development of accommodation standards and monitoring systems. Work on this two-year target will be completed in 2005-06.
• Increase the supply of affordable supportive living in 2004-05.	• The target was achieved as 308 new units were added under the Seniors Lodge Program. In addition, the details of a new $50 million capital program were announced on October 21, 2004, providing the basis for the development of supportive living facilities for low- and moderate-income seniors with high health needs in rural communities across the province. This program is expected to add approximately 750 new supportive living units in 2005-07 (see targets for 2005-06).

TARGETS	RESULTS
	• A paper highlighting the benefits of capital grant programs, supporting further development of affordable supportive living, has also been developed.
• Identify alternatives for mental health accommodation, to support and facilitate appropriate shifts from facility-based to community-based delivery models.	• This target has been achieved. As RHAs are now implementing the Provincial Mental Health Plan, other ways of facilitating the shift from facility-based to community-based mental health services, were considered. • Individuals with mental illness need a flexible range of housing and support options that are safe, affordable, accessible and responsive to their needs and choices. Some individuals can live independently with limited support (e.g., weekly on-site services with after hours crisis/emergency capacity); others need access to 24/7 on-site supports. Development of local partnerships on housing and supports will be encouraged. • A new Mental Health Innovation Fund to be implemented in 2005-06, will help RHAs implement plans by encouraging them to develop local initiatives to improve services for people with mental illnesses, with a top priority being placed on programs for youth.

OBJECTIVE: **Explore integrated policy options for government to achieve sustainability of the health system.**

TARGETS	RESULTS
• Develop a cross-ministry plan to identify new opportunities to address health sustainability, including consideration of more effective collaboration for wellness, alternative financing, strategic investment and capital planning.	• The target was achieved with significant cross-ministry effort on consideration of new opportunities to address health system sustainability and renewal. • In support of health renewal, the government announced a $700 million investment on June 30, 2004 to improve access and quality of health services. In January 2005, the Premier announced further work was needed in the evolution of the health system to consider a "third way" for Alberta's health system.
• Develop baseline data about Albertans at risk of financial hardship from prescription drug expenses.	• Better data on Albertans at risk of hardship due to prescription drug expenses was achieved through this target with the development of the report Albertans' Insurance Coverage for Prescription Drug Expense (2004). It indicates that although all Albertans have access to drug insurance coverage (through a combination of private and public plans), 27% do not have any coverage.

Health Sustainability Initiative

TARGETS	RESULTS
Identify strategies to address long-term sustainability of drug programs while providing protection for Albertans against catastrophic drug costs.	This target was achieved, as strategies to address long-term sustainability of drug programs were identified through preparation of the following report Understanding Health Care Cost Drivers and Escalators (2004); analysis of cost-containment initiatives from an Alberta perspective; and the September 2004 First Ministers 10-Year Health Plan to Strengthen Health Care – which called for a Ministerial Task Force to implement several strategies related to pharmaceuticals, including consideration of comprehensive catastrophic drug coverage.
Build an economic model to estimate the cost of drug plan features.	The target to develop an economic model to estimate the cost of drug plan features has been achieved. The model allows detailed financial analysis of the impact of changes to key policy levers.
To support innovation and affordability for chronic disease management programs, affected ministries will develop three agreements with industry to share risks associated with the implementation of costly new pharmaceuticals.	The target was achieved. Three agreements with industry, that support innovation and affordability for chronic disease management programs, have been signed.
Develop a collaborative cross-ministry communications strategy.	In support of the exploration of policy options for health renewal, Health and Wellness and the Public Affairs Bureau achieved this target with the implementation of a collaborative communications strategy with the participation of all related ministries prior to the June 30, 2004 announcement on health renewal.

Appendix - Methodology and Data

Goal One

LIFE EXPECTANCY AT BIRTH

This measure ranks male and female life expectancies of Albertans with nine other countries.

Female

Rank	Country	2003 (years)
1	Japan	85
2	France	84
3	Italy	84
4	Australia	83
5	Spain	83
6	Sweden	83
7	Switzerland	83
8	Alberta	82.3
9	Austria	82
10	Belgium	82

Male

Rank	Country	2003 (years)
1	Australia	78
2	Canada	78
3	Israel	78
4	Italy	78
5	Japan	78
6	Singapore	78
7	Sweden	78
8	Switzerland	78
9	Alberta	77.5
10	New Zealand	77

Source: World Health Report 2005 - international data rounded to the nearest number of years. Health and Wellness, Vital Statistics Registry, Alberta Health Care Insurance Plan Stakeholder Registry - Alberta data (2003)

The 95% confidence interval for Alberta life expectancy estimates is about +/-0.2 years. Life expectancy at birth is an estimate of the number of years that a person born in that year will live, based upon current mortality statistics. Countries with a population equal to or greater than a million were selected. Life expectancy estimates for smaller populations tend to be less reliable.

PARTICIPATION IN HEALTHY BEHAVIOUR

This measure identifies Albertans' participation in healthy behaviour.

	Do Not Smoke	Exercise Regularly	Acceptable Weight
2001	72%	52%	49%r
2003	77%	56%	47%

Source: Statistics Canada - Canadian Community Health Survey, 2003

r - revised. Prior year Acceptable Weight restated as age range has changed from 20-64 years to 18 years and older.

The Canadian Community Health Survey includes questions about use of tobacco, type and level of physical activity, and the respondent's height and weight, from which the Body Mass Index is calculated using the international standard. This survey of Canadians ages 12 years and older (except for acceptable weight (18 years and older)) is conducted every two years, and includes a wide range of questions about the health and health practices of residents in each province. Data for 2001 and 2003 excludes non-respondents. Approximate sample size for Alberta is 14,000 households, which provides a 95% confidence interval of about 1 percentage point above or below the reported results.

SELF-REPORTED HEALTH STATUS

To assess self-reported health status, this measure reports on Albertans 18 years of age and over who were asked: "In general, compared with other people your age, would you say your health is excellent, very good, good, fair, or poor?"

18-64 years

	Good	Very Good (percentage)	Excellent
2001	27	39	24
2002	25	40	23
2003	27	40	23
2004	26	39	23
2005	27	42	20

65 years and over

	Good	Very Good (percentage)	Excellent
2001	27	29	16
2002	30	30	18
2003	33	33	14
2004	31	32	15
2005	33	32	13

Source: The 2005 Public Survey About Health & the Health System in Alberta - Health Quality Council of Alberta (HQCA)

Data are collected through a telephone survey of 4,000 randomly selected Alberta households. The 95% confidence interval for this survey is 2 percentage points above or below the reported results.

OVERALL QUALITY OF HEALTH CARE RECEIVED

This measure reports the quality of care as "good" or "excellent".

2001	2002	2003	2004	2005
86%	86%	85%	86%	86%

Source: The 2005 Public Survey About Health & the Health System in Alberta - Health Quality Council of Alberta (HQCA)

The question is asked only of respondents who report having personally received health services in Alberta within the past 12 months (n=3,173). The 95% confidence interval for this survey is 2 percentage points above or below the reported results.

Data are collected through a telephone survey of 4,000 randomly selected Alberta households. To assess the quality of care received, Albertans 18 and over were asked: "Overall, how would you rate the quality of care you personally have received in the past 12 months? Would you say it was excellent, good, fair, or poor?"

EASE OF ACCESS TO PHYSICIAN SERVICES

This measure identifies the perception of ease of access to physician services, based on a statistically significant population sample.

	2001	2002	2003	2004	2005
Physician	86%	84%	86%	85%	86%

Source: The 2005 Public Survey About Health & the Health System in Alberta - Health Quality Council of Alberta (HQCA)

Data are collected through a telephone survey of 4,000 randomly selected Alberta households. The question is asked only of respondents who report having received services from a physician within the past 12 months (n=3,012). The 95% confidence interval for this survey is 2 percentage points above or below the reported results.

To assess ease of access to physician services, Albertans 18 and over were asked: "How easy or difficult was it for you to obtain physician services you received most recently from a physician in Alberta? Would you say it was very easy, easy, a bit difficult, or very difficult?" This measure reports on access as "easy" or "very easy".

EASE OF ACCESS TO HOSPITAL SERVICES

This measure identifies the perception of ease of access to hospital services, based on a statistically significant population sample.

	2001	2002	2003	2004	2005
Hospital	71%	73%	72%	73%	72%

Source: The 2005 Public Survey About Health & the Health System in Alberta - Health Quality Council of Alberta (HQCA)

Data are collected through a telephone survey of 4,000 randomly selected Alberta households. The question is asked only of respondents who report having received services at a hospital (including in-patient, out-patient, or emergency services) in Alberta within the past 12 months (n=1,225). The 95% confidence interval for this survey is 3 percentage points above or below the reported results.

To assess ease of access to hospital services, Albertans 18 and over were asked: "How easy or difficult was it for you to get hospital services you received most recently from a hospital in Alberta? Would you say it was very easy, easy, a bit difficult, or very difficult?" This measure reports on access as "easy" or "very easy".

Goal Two

LITERACY AND NUMERACY GRADE 9

This measure indicates the percentage of students enrolled in Grade 9 who met or exceeded the acceptable standard on Grade 9 Provincial Achievement Tests in mathematics and language arts. Grade 9 Provincial Achievement Tests in mathematics and language arts are used as proxy measures of literacy and numeracy, as adult literacy surveys are not conducted regularly. Achieving the acceptable standard on the mathematics and language arts tests in Grade 9 indicates that students have the fundamental skills to become literate and numerate adults.

	1999-00	2000-01	2001-02	2002-03	2003-04
Math	67%	66%	65%	63%	66%
Language Arts	80%	79%	79%	78%	78%

Source: Education

Students normally take the Grade 9 Provincial Achievement Tests at age 14 to 15. The results are based on the total enrolment of Grade 9 students. Provincial Achievement Tests are based on the curriculum and are developed with extensive involvement from classroom teachers, and input from other educators, business and community groups, to ensure that the standards reflect public expectations.

The standards are set for each test by a committee of teachers and are then held constant by statistical methods in subsequent years.

The first results of the Adult Literacy and Life Skills Survey, conducted in 2003, were released by Statistics Canada in May 2005 (The Daily, May 11). This study tested more than 23,000 Canadians on their skills proficiency in four domains: prose, document, numeracy and problem-solving. Skills were rated on the basis of levels 1 (lowest) to 5 (highest). The first study report (Learning a Living: First Results of the Adult Literacy and Life Skills Survey: 2003) presents the international results of the first round of data collection in the ALLS survey, and includes results for Canada, Bermuda, Italy, Norway, Switzerland, the United States and the Mexican state of Nuevo Leone. A Canadian national report, to be released in the Fall of 2005, will present provincial results and specific national findings.

The 2003 Adult Literacy and Life Skills study builds on the International Adult Literacy Survey (1994-1998) and is a joint project of the Government of Canada, the U.S. National Centre for Education Statistics, and the Organization for Economic Cooperation and Development. Statistics Canada is the international coordinator of the project. The report is available on the Statistics Canada website: http://www.statcan.ca, Cat. #89-603-WIE.

EDUCATIONAL ATTAINMENT OF ALBERTANS AGES 25-34

These measures indicate the percentage of Albertans ages 25-34 that completed high school, and those that completed post-secondary education.

High School

	2000	2001	2002	2003	2004
Canada	88%	89%	89%	90%	90%
Alberta	90%	90%	89%	89%	90%

Post-Secondary

	2000	2001	2002	2003	2004
Canada	60%	62%	62%	63%	63%
Alberta	56%	59%	58%	57%	57%

Source: *Statistics Canada - Labour Force Survey*

Note: *High school and post-secondary completion are derived from a special tabulation for Education and Advanced Education*

Statistics Canada's Labour Force Survey collects information on the highest level of education achieved by various age groups. This measure tracks the percentage of the population aged 25-34 who reported having completed high school or some level of post-secondary programming, including apprenticeship programs. This age group was selected as it reflects the direct output of Alberta's education system. The data reported are annual averages for the calendar year, compiled from monthly survey results.

Between 5,180 and 5,354 Alberta households were surveyed each month in 2004, with information provided on between 10,421 and 10,701 individuals each month (of these about 1,850-1,940 individuals each month are ages 25-34). The coefficient of variation (the standard error as a percentage of the reported result) is 1.0% for both the Alberta data and the Canadian data.

EDUCATIONAL ATTAINMENT OF ABORIGINAL ALBERTANS AGES 25-34

This measure indicates the percentage of Aboriginal Albertans ages 25-34 who report they have completed high school and the percentage who report they have completed post-secondary education.

High School

	2003	2004
Alberta	75%	73%

Post- Secondary

	2003	2004
Alberta	43%	41%

Source: *Statistics Canada - Labour Force Survey*

Note: *High school and post-secondary completion are derived from a special tabulation for Education and Advanced Education.*

Statistics Canada's Labour Force Survey collects information on the highest level of education achieved by various age groups for the off-reserve Aboriginal population of Alberta. The population age group of 25-34 years olds was selected to reflect the direct outputs of Alberta's K-12 and post-secondary education systems. The data reported are annual averages for the year.

Between 333 and 364 Alberta households containing Aboriginals were surveyed each month in 2004, with information provided on between 450 and 554 Aboriginal individuals each month (of these about 108-144 Aboriginal individuals each month are ages 25-34). Statistics Canada increased the sample size for the survey in Alberta by 1,250 households to improve information on Aboriginal educational attainment. The coefficient of variation (the standard error as a percentage of the reported result) is 10%. The number of Aboriginals captured using the larger sample is still quite small, resulting in a large coefficient of variation. Because of this, year-to-year variations in this measure should be treated with caution.

SKILL DEVELOPMENT

This measure indicates the percentage of employers who were "satisfied" or "very satisfied" with learning system graduates, including high school, post-secondary and apprenticeship graduates. Response options are: "very satisfied", "satisfied", "dissatisfied", and "very dissatisfied". "Don't know" and "No response" are also recorded. It is a direct indicator of the match between workforce skill levels and job requirements, which supports the competitiveness of Alberta businesses.

Results reported in *Measuring Up 2005* are based on the question, "Thinking about the recent graduates from the Alberta learning system you have working for your company, please rate your OVERALL level of satisfaction with their skills and quality of work". This question was asked in relation to both high school and post-secondary graduates in both the 2001-02 and 2003-04 surveys. In the 2001-02 survey, "post-secondary graduates" included graduates of degree, diploma and certificate programs. In the 2003-04 survey, "post-secondary graduates" included graduates of degree, diploma, certificate and apprenticeship programs.

2001-02	2003-04
90%	89%

Source: Advanced Education and Education

Results are reported from telephone surveys of employers conducted by an external consultant every second year. The survey will take place again in 2005-06. In both 2001-02 and 2003-04, about 2,000 Alberta employers responded to the survey. In 2001-02, 797 employers responded to the questions on employer satisfaction with recent graduates and in 2003-04, there were 760 respondents.

LIFELONG LEARNING

Albertans are encouraged to keep learning and realizing their goals. This measure reports the percentage of survey respondents (Albertans ages 17 and over) who are satisfied that adult Albertans have access to the education or training they want. The percentages reported are the weighted average results of questions asked in annual surveys of two components of the Alberta public: adult learners (those who reported taking education or training in the last 12 months) and adult Albertans who did not take education or training in the last 12 months.

2000-01	2001-02	2002-03	2003-04	2004-05
72%	63%	73%	72%	69%

Source: Advanced Education and Education

Each year, about 1,000 adult learners and 2,000 adults who had not participated in any education or training in the past 12 months are surveyed for Advanced Education and Education by an external consultant, for a total sample size of about 3,000. The confidence interval for these results with a sample of this size is about 1.8 percentage points above or below the reported values. In 2001-02, the sample size was only about 1,200. Consequently, a somewhat larger confidence interval of 2.7 percentage points above or below the reported values is associated with the result for 2001-02.

The wording of the question asked of adult learners was clarified in the 2002-03 survey. In previous years, adult learners were asked about their satisfaction that "most adults are able to access the education or training they want". Starting in 2002-03, adult learners were asked about their satisfaction that "you are able to access the education or training you want". Adult Albertans who did not participate in education or training in the prior year are asked a slightly different question: "How satisfied are you that most adults are able to access the education or training they want." The "satisfied" and "very satisfied" responses for these two questions have been combined to calculate the percentage of satisfied respondents.

ADULT PARTICIPATION IN LEARNING

Adult participation in learning helps Albertans realize their potential. This measure presents the percentage of adult Albertans 25+ who indicated that they had taken some education or training in the last 12 months, as reported in annual surveys conducted for Advanced Education and Education (same survey as for the lifelong learning measure above). Information on age ranges is gathered from respondents, which enables reporting on the participation rate of Albertans 25+ in education and training.

2000-01	2001-02	2002-03	2003-04	2004-05
28%	30%	30%	28%	29%

Source: Advanced Education and Education

Oversampling takes place to fill the survey quotas for adult learners and other adult Albertans, resulting in slightly different sample sizes each year. For example, the sample size in 2003-04 was 3,001, compared to 3,109 in 2002-03.

PARTICIPANTS EMPLOYED POST-INTERVENTION

Percentage of participants employed post-intervention includes those in Work Foundations and Training for Work programs and services. For Job Placement (JP), Self Employment (SE), Skills for Work (SW), Training on the Job (TOJ), Skills Development Program (SDP) and Temporary Employment Programs (TEP), an independent consultant is retained through the Work Outcomes Reporting Project (WORP) to contact former program participants post-intervention. Participants are asked questions from the applicable WORP questionnaire. All respondents are contacted through telephone surveys. Other than SDP and TEP, which are a census of participants, estimated margin of error rates for each survey are JP (4.3%), SE (7.3%), SW (4.8%) and TOJ (9.6%) within a 95% confidence interval.

The number of participants for each program is obtained from various sources such as: Career Assistance Information System (CAIS), Human Resources and Skills Development Canada/Alberta Advanced Education Results Dataset Analysis, Students Finance Board Reports, InfoPac, and WORP. A program is assigned a weighted value based on volume counts. These values are calculated by dividing the number of participants for a particular program by the total number of participants in all programs. The percentage of participants employed post-intervention is calculated using the WORP file (2004-05) and the Graduates of Appenticeship Satisfaction Survey (2002-03). The file is filtered to participants leaving those programs during the fiscal year. A frequency is generated for the question "Have you been employed at any time since you left <program name>?" The weighted value for each program is obtained by multiplying the percentage of participants employed in a particular program by the volume weighting for that program. The weighted values for all programs are added together to obtain the final, overall figure.

2003-04	2004-05
79%	81%

Source: Human Resources and Employment, Advanced Education, and Human Resources and Skills Development (HRSD) Canada

EMPLOYMENT PREPAREDNESS

Percentage of participants who indicated their training helped prepare them for future employment includes those in the Skills Development Program (specifically Training for Work and Work Foundations) and TEP. For all programs/services included in this measure, an independent consultant is retained through the WORP to contact former program participants post-intervention. Participants are asked questions from the applicable WORP questionnaire. All respondents are contacted through telephone surveys. See Participants Employed Post-Intervention for margin of error and confidence interval details.

The number of participants for each program is obtained from two sources: CAIS and the WORP. A program is assigned a weighted value based on volume counts. These values are calculated by dividing the number of participants for a particular program by the total number of participants in all programs. The percentage of participants employed post-intervention is calculated using the WORP file. The file is filtered to participants leaving those programs during the fiscal year. A frequency is generated for the question "Did your training prepare you for <future employment/ future training>?" The weighted value for each program is obtained by multiplying the percentage of participants employed in a particular program by the volume weighting for that program. The weighted values for all programs are added together to obtain the final, overall figure. In 2004-05, 87% of program participants confirmed their training prepared them for future training or employment.

Source: Human Resources and Employment - Career Assistance Information System (CAIS) and Work Outcomes Reporting Project (WORP)

Goal Three

WELL-BEING OF CHILDREN

The Market Basket Measure (MBM) is a measure of low-income developed by Human Resources and Skills Development Canada and reflects differences in costs of living across Canada. This measure includes the percentage of children who live in families with incomes above the MBM low-income thresholds.

Province	% of children (2000)
NL	68
BC	76
NS	80
MB	80
SK	80
PE	82
NB	83
QC	85
AB	85
ON	86
CAN	83

Source: Human Resources and Skills Development Canada
Note: 2001 MBM thresholds data was not available at time of publication.

The estimated cost of a specific basket of goods and services is referred to as the MBM threshold. People are considered to have low-income if the family's disposable income is less than their MBM threshold. Income to purchase the basket is based on family income, minus income taxes, payroll taxes, child care costs incurred to enable parent(s) to work, alimony, child support payments made by non-custodial parents, and out-of-pocket health care expenses including dental care, prescriptions, glasses, and disability aids.

The basket is calculated for a reference family of four (two adults and two children). To purchase the "market basket", the family must have sufficient disposable income to purchase nutritious food, buy clothing for work and social occasions, house themselves in their community, and pay for transportation and other expenditures. The costs of the items in the basket vary across the country and are adjusted for different family sizes and configurations.

CHILDREN IN CARE

This measure tracks the percentage of children, ages 0 to 17 years, who are under the guardianship or custody of the provincial child welfare program (now called the Provincial Child, Youth and Family Enhancement Program) per 1,000 child population. Data for the number of children under guardianship or custody is based on information from Children's Services Child, Youth Information Module, as of March 31 for each year. Data for the population of children in Alberta is based on Alberta Population Projections by Census Divisions, 1999-2016, Alberta Treasury, September 1999.

2001	2002	2003	2004	2005
		(per 1,000 child population)		
10	10	11	11	10

Source: Children's Services - Child, Youth Information Module
Alberta Population Projections by Census Divisions, 1999-2016, Alberta Treasury

SOCIAL AND EMOTIONAL DEVELOPMENT/PARENTING SKILLS

The results for this measure are based on data from the National Longitudinal Survey of Children and Youth (NLSCY), administered by Statistics Canada and Social Development Canada. The NLSCY is a long-term survey designed to track child development and well-being from birth to early adulthood. The survey includes information about how a child's family, friends, activities, school, and community affect their learning, behaviour, and health. The survey follows a representative sample of children, who were aged 0-11 years at the first cycle of the study (1994-95) and collects information on these children at two-year intervals and will continue until they reach adulthood. In each subsequent two-year cycle, as the initial cohort of children gets older, an additional sample of children is added. Responses to questions are scored and overall results are obtained by using a cut off point or threshold to identify children displaying or not displaying the level of behaviour or attribute.

Social and Emotional Development - Behaviour scales are used to assess the child's emotional problems/anxiety and pro-social behaviour. The person most knowledgeable of the child answers the questions associated with the behaviour. The survey questions used to calculate the social development result capture different age-related aspects of behaviour such as how a child interacts with him/herself, with strangers, with parents, and with objects such as toys. The estimated margin of error is +/-2.6% at the 95% confidence level. The survey questions used to calculate the emotional development result deal with whether the child appears unhappy, depressed or nervous, indicating the presence of emotional problems/anxiety. The estimated margin of error is +/-2.6% at the 95% confidence level.

Social Development

	1998-99	2000-01
Alberta	not applicable	85.9%
Canada		84.0%

Emotional Development

	1998-99	2000-01
Alberta	87.8%	85.0%
Canada	86.2%	82.2%

Source: *Statistics Canada and Social Development Canada - National Longitudinal Survey of Children and Youth (NLSCY)*

Note: *Data is provided through the Early Childhood Agreement by Statistics Canada and Social Development Canada. The most recent data available for this agreement is 2000-01.*

Parenting Skills - The survey questions used to calculate the parenting skills result capture a parent's interaction with the child, such as praising the child and playing games with the child. The person most knowledgeable of the child answers the survey questions. The estimated margin of error is +/-2.3% at the 95% confidence level.

	1998-99	2000-01
Alberta	89.3%	88.4%
Canada	88.0%	83.9%

Source: *Statistics Canada and Social Development Canada - National Longitudinal Survey of Children and Youth (NLSCY)*

Note: *Data is provided through the Early Childhood Agreement by Statistics Canada and Social Development Canada. The most recent data available for this agreement is 2000-01.*

Goal Four

ECONOMIC STATUS OF ALBERTANS

This measure includes the percentage of people who live in families with incomes above the Market Basket Measure (MBM) low-income thresholds.

(See Methodology for Well-Being of Children)

Province	% of People (2000)
NL	77
BC	80
NS	84
PE	85
SK	86
NB	86
MB	87
QC	88
AB	88
ON	89
CAN	87

Source: *Human Resources and Skills Development Canada*

Note: *2001 MBM thresholds data was not available at time of publication.*

ALBERTA SENIORS BENEFIT

Methodology includes following up with seniors who have not applied for the Alberta Seniors Benefit within four months of receiving an application package. These seniors were sent a Business Reply Mail (BRM) and information sheet and asked to return the card indicating their intentions concerning application to the program. Determining whether seniors have been provided with an opportunity to apply for the program involves using number of applications completed and the number of BRM cards returned to determine the percentage of seniors who have applied for a benefit, who have decided not to apply, who planned to apply, and who requested a new application package.

2003-04	2004-05
99%	99%

Source: *Seniors and Community Supports*

PERSONS WITH DEVELOPMENTAL DISABILITIES (PDD)-FUNDED SERVICES

The Family/Guardian Satisfaction Survey is conducted to determine the overall satisfaction of families/guardians (public and private) with the PDD-funded services received by their family member or person for whom they provide guardianship. As this is a biennial survey, the following procedures relate to the most recent results available (i.e., 2004-05). The population consisted of all legal guardians, including public guardians, and/or family members in the absence of a legal guardian of individuals receiving PDD-funded services in Alberta. Regional offices distributed the questionnaire to families/guardians by mail on September 10, 2004. A total of 1,554 questionnaires were received by the beginning of November 2004 for a response rate of 37.1%. Of these questionnaires, 1,298 (83.5% of the sample) included responses for all three questions used in the analysis. The three survey questions used to calculate overall satisfaction dealt with whether the services met the person's needs, whether they were satisfied overall that the services provided enhanced the person's quality of life and whether they were satisfied overall that the person's services helped him or her to be a part of the community as much as desired. Results were obtained by computing the mean average for the three questions. Overall results were determined using the top two combined response categories of a four-point rating scale for the categories: "strongly agree," "agree," "disagree" and "strongly disagree". Data were analyzed with SPSS software. The results are accurate within +/-1.64%, 19 times out of 20.

2000-01	2002-03	2004-05
90.4%	88.7%	85.8%

Source: *Seniors and Community Supports, based on the Persons with Developmental Disabilities Family and Guardian Satisfaction Survey, conducted by the Vocational and Rehabilitation Research Institute*

Goal Five

SOURCE OF INCOME - GOVERNMENT TRANSFERS

This measure refers to the difference in the proportion of total income received from government transfers between Aboriginal and non-Aboriginal people.

	Aboriginal	non-Aboriginal	Difference
1995	18%	11%	7%
2000	14%	9%	5%

Source: *Statistics Canada, 1996 and 2001 Canada Censuses (Custom Tabulation 2B Target Group Profile)*

"Aboriginal people" are those who identified themselves as having North American Indian, Metis or Inuit ancestry.

Income from government transfers includes amounts reported from: Old Age Security Pension and Guaranteed Income Supplement, Canada or Quebec Pension Plan, Employment Insurance, Canada Child Tax Benefit and other income from government sources. Data for 2005 will be collected during the next Canada Census in 2006. Results from the 2006 Canada Census are expected to be available in 2008 at the earliest.

ABORIGINAL PARTICIPATION IN THE ECONOMY

The government is committed to increasing the participation of Aboriginal people in the economy. This measure refers to the difference in participation rates of Aboriginal and non-Aboriginal people. Participation rate is the labour force (employed and unemployed), expressed as a percentage of the total population aged 15 years and over. This data represents the entire province, including those First Nation reserves that participated in the 1996 and 2001 Censuses. The next Canada Census will take place in 2006, with results expected in 2008 at the earliest.

	Aboriginal	non-Aboriginal	Difference
1996	65.8%	72.7%	6.9%
2001	68.1%	73.4%	5.3%

Source: *Statistics Canada, 1996 and 2001 Canada Censuses (Custom Tabulation 2B Target Group Profile). Prepared by Statistics Canada for Alberta Aboriginal Affairs and Northern Development*

Note: In accordance with contractual obligations, Custom 2B profiles from the 1996 and 2001 Censuses of Canada are not publicly available.

The Canada Census, taken every five years, has been the main source of provincial-level data for the Aboriginal population. Starting in 2002, the ministries of Aboriginal Affairs and Northern Development and Human Resources and Employment worked with Statistics Canada to incorporate Aboriginal "identifiers" in the monthly provincial Labour Force Survey. Baseline data from this project is reported under the measure "Participation in the Economy (by Aboriginal component group and gender)".

PARTICIPATION IN THE ECONOMY (BY ABORIGINAL COMPONENT GROUP AND GENDER)

Statistics Canada conducts the Aboriginal Labour Force Survey (ALFS) as part of the monthly province-wide Labour Force Survey. The ALFS provides monthly, three-month rolling averages of labour force data on Aboriginal people living-off reserve in Alberta. This data represents the entire province, excluding First Nation reserves.

Participation rate is the labour force (number of employed and unemployed), divided by the total working age population (people aged 15 and over), expressed as a percentage.

Unemployment rate is the number of unemployed persons, expressed as a percentage of the labour force.

To develop the ALFS, Statistics Canada added two Aboriginal identifier questions, developed appropriate methodology for the survey and established sampling groups to ensure statistical validity and accuracy of the data collected. To implement the ALFS, Statistics Canada expanded the sample size in Alberta to include an additional 1,250 respondents. These respondents are in geographic locations throughout Alberta with known higher proportions of Aboriginal people.

Statistics Canada monitors the number of Aboriginal people responding in order to maintain validity of the data. Sampling is done on a six-month rotational basis. An individual respondent remains in the sample for a six-month period and is then replaced by another respondent. Each month, approximately 1/6 of the sample is rotated out and replaced by new respondents. The margins of error for data from the ALFS are higher than those for the province-wide Labour Force Survey due to smaller sample sizes.

Economic Participation Rates (2004-05)		**Unemployment Rates (2004-05)**	
Total off-reserve Population		Total off-reserve Population	
non-Aboriginal	73.5%	non-Aboriginal	4.2%
Aboriginal	70.4%	Aboriginal	9.6%
North American Indian	66.6%	North American Indian	12.4%
Métis	72.8%	Métis	8.0%
Males		Males	
non-Aboriginal	79.6%	non-Aboriginal	4.1%
Aboriginal	76.3%	Aboriginal	9.7%
North American Indian	73.6%	North American Indian	10.4%
Métis	77.9%	Métis	9.6%
Females		Females	
non-Aboriginal	67.0%	non-Aboriginal	4.3%
Aboriginal	64.8%	Aboriginal	9.5%
North American Indian	59.7%	North American Indian	14.6%
Métis	67.8%	Métis	6.6%

Economic Participation Rates (2003-04)		**Unemployment Rates (2003-04)**	
Total off-reserve Population		Total off-reserve Population	
non-Aboriginal	73.7%	non-Aboriginal	4.9%
Aboriginal	73.7%	Aboriginal	10.0%
North American Indian	70.1%	North American Indian	12.7%
Métis	74.9%	Métis	8.5%
Males		Males	
non-Aboriginal	80.1%	non-Aboriginal	5.0%
Aboriginal	80.4%	Aboriginal	9.4%
North American Indian	78.6%	North American Indian	13.0%
Métis	80.7%	Métis	7.9%
Females		Females	
non-Aboriginal	67.2%	non-Aboriginal	4.7%
Aboriginal	67.1%	Aboriginal	10.7%
North American Indian	63.4%	North American Indian	12.8%
Métis	68.5%	Métis	9.4%

Source: Statistics Canada, Alberta Aboriginal Labour Force Survey

ABORIGINAL AFFAIRS

This measure indicates the public approval rating of the Alberta government on Aboriginal relations, compared to the average rating of the four nearest provinces.

2000	2001	2002	2003	2004
(% higher than average rating of four nearest provinces)				
8%	12%	12%	10%	9%

Source: Environics Research Group Ltd., Focus Canada Reports

Four times per year, Environics Research Group Ltd. conducts a national opinion poll surveying the views of Canadians regarding the performance of their provincial and federal governments in various areas of governance. The results for each quarterly poll are reported in the Focus Canada Report (2004-1, 2004-2, etc.). During each poll, a sample of Albertans is asked to indicate their approval or disapproval of the way their provincial government is performing in the area of Aboriginal and native issues. The approval ratings from the four surveys each year are averaged to indicate the percentage of citizens approving of their provincial government's annual performance. These results are compared to the average approval rating for the four nearest provinces (British Columbia, Saskatchewan, Manitoba and Ontario).

For the first quarter 2004 survey, Environics completed telephone interviews with 2,014 adult Canadians between March 29 and April 18, 2004. The margin of error for the entire sample was +/-2.2%, 19 times out of 20. The margin of error is greater for results pertaining to each province due to smaller sample size. In the first quarter 2004 survey, 204 interviews were conducted in Alberta, with a margin of error of +/-6.9%. The margins of error for the four provinces nearest to Alberta were as follows: British Columbia +/-6.4%; Saskatchewan +/-8.6%; Manitoba +/-8.6%; Ontario +/-4.1%.

Goal Six

MUNICIPAL FINANCIAL ACCOUNTABILITY

This measure reports the percentage of municipalities meeting the provincial criteria of financial accountability.

2000-01	2001-02	2002-03	2003-04	2004-05
98%	98%	98%	99%	99%

Source: *Municipal Affairs*
Note: *Results are reported on a calendar year basis, which is the fiscal year for municipalities. The most recently available data for the results are from the calendar year prior to the fiscal year in which they are reported, so for the 2004-05 reporting period, the data for the results are from the 2003 calendar year.*

The Alberta government has established legislation-based limits upon which the proxy measure for financial accountability is based. Regularly not meeting the criteria, or not addressing the associated problems, may indicate viability issues.

ALBERTANS' SATISFACTION WITH THEIR LOCAL GOVERNMENTS

This measure reports the percentage of Albertans' satisfied with their local governments.

2002-03	2003-04	2004-05
79.6%	78.8%	79.0%

Source: *Survey conducted by Environics Research Group for Municipal Affairs*

Information was collected through a telephone survey, conducted by an independent research firm, of 1,000 adult Albertans in rural and urban areas from February 10 to February 19, 2005. The results are reliable to within +/-3.0%, 19 times out of 20.

LOCAL AUTHORITIES' COST OF BORROWING FROM ALBERTA CAPITAL FINANCE AUTHORITY (ACFA)

The results reported for 2004 are based on new methodology. The new methodology is believed to be a more accurate reflection of relative borrowing costs as it uses actual transactional data, rather than estimates, to calculate the cost of funds for the Municipal Finance Authority of British Columbia (MFABC) and the City of Toronto (Toronto).

Using the new methodology, ACFA compares Alberta local authorities' indicative loan rates to the cost of borrowing on actual debt issues of MFABC and Toronto. It is assumed that MFABC will use these debt issues to fund new loans directly and will base their loan rates on actual borrowing costs. ACFA's indicative loan rates are estimates of what the Authority would achieve under similar terms and circumstances to the actual debt issues of other municipal issuers. MFABC and Toronto were selected for comparison because they reflect the size and credit rating of ACFA.

The following is a comparison of the estimated loan rates for other municipal issuers relative to ACFA, expressed as a spread over Government of Canada rates. The difference between these spreads represents the relative cost of the other municipal issuers' debt to ACFA's debt.

	10 Year (Oct/04)	20 Year (Oct/04)
	(percentage)	
MFABC	0.436	0.488
ACFA	0.408	0.522
Difference	0.028	(0.034)

	10 Year (May/04)	10 Year (Oct/04)
	(percentage)	
Toronto	0.613	0.547
ACFA	0.447	0.407
Difference	0.166	0.140

Source: *ACFA Annual Report 2004, Finance*
Note: *These are the only public debt issues made by MFABC and Toronto.*

LOCAL AUTHORITIES' SATISFACTION WITH ALBERTA CAPITAL FINANCE AUTHORITY (ACFA)

This measure tracks shareholder satisfaction with respect to the ACFA lending policies and efficiency levels.

	2001	2004
New Lending Policies	83%	55%
Efficiency	89%	73%

Source: ACFA, Finance

ACFA conducts a biennial survey in which shareholders are asked to indicate their level of satisfaction with ACFA's lending policies and timeliness of processing loan applications (efficiency). A full census of shareholders was conducted. A total of 117 responses were received, representing a response rate of 27.8%. The results are reliable to within +/-7.7%, 19 times out of 20.

ACFA has recently changed its lending policy. Therefore, the biennial survey conducted in September 2004 measures the effect of these significant changes on stakeholder satisfaction.

Goal Seven

GROSS DOMESTIC PRODUCT (GDP)

This measure indicates the long-term growth rate of the Alberta economy as measured by the three-year average annual growth rate of nominal GDP.

	Canada	Alberta
	(percentage)	
1996-98	4.1	5.4
1997-99	5.5	6.0
1998-00	6.9	11.0
1999-01	6.6	12.4
2000-02	5.7	9.2
2001-03	4.2	5.8
2002-04	5.3	7.6

Source: Statistics Canada - Provincial Economic Accounts, 2004 and Finance

Note: Historical data revised by Statistics Canada.

GDP is a measure of the value of all final goods and services produced in Alberta in a given year. Using data from Statistics Canada, the growth rates for nominal GDP in each year are calculated and the rates averaged over a three-year period. As cyclical variations are common in Alberta, a longer-term trend growth rate is presented, using a three-year rolling average annual growth rate.

JOB GROWTH

Job growth is a measure of the net number of jobs created in Alberta on an annual average basis since the beginning of 2000.

	Net Cumulative New Jobs Since December 31, 1999
	(thousands)
1999 to 2000	41.4
1999 to 2001	87.8
1999 to 2002	129.3
1999 to 2003	175.7
1999 to 2004	215.7

Source: Statistics Canada - Labour Force Survey, and Finance

Note: Historical data revised by Statistics Canada.

Statistics Canada obtains information on employment growth as part of its monthly Labour Force Survey. Job growth is then calculated on an annual average basis (12-month average), which is the standard method for tracking job growth.

LABOUR FORCE PARTICIPATION RATE

Labour force participation rate is defined as the total number of people in the labour force expressed as a percentage of the population aged 15 years and over.

Province	2003	2004
	(percentage)	
AB	73.6	73.6
MB	68.7	69.0
ON	68.5	68.5
SK	67.8	68.0
PE	67.7	67.8
QC	66.0	65.9
BC	65.6	65.5
NS	63.1	64.0
NB	63.3	63.9
NL	59.3	59.3
CAN	67.5	67.6

Source: Statistics Canada - Labour Force Survey, and Finance

Note: Historical data revised by Statistics Canada.

LABOUR PRODUCTIVITY

Labour productivity is measured by real GDP in chained (1997) dollars per hour worked for 2004.

Province	Real GDP ($) Per Hour Worked
AB	59.9
ON	58.1
BC	56.1
SK	55.2
NL	55.2
QC	48.2
NB	47.3
NS	46.3
MB	45.5
PE	35.9
CAN	54.8

Source: Statistics Canada - Provincial Economic Accounts, 2004, Statistics Canada, Survey of Employment, Payroll and Hours, and Finance

PERSONAL DISPOSABLE INCOME

Personal disposable income is defined as gross personal income less personal direct taxes and other current transfers to government by persons, including Canada Pension Plan contributions and Employment Insurance premiums. Personal disposable income per capita is obtained by dividing an economy's total personal disposable income by its population for the year.

Province	2003	2004
	(dollars)	
AB	25,654	26,884
ON	23,802	24,354
BC	21,736	22,364
QC	20,937	21,475
MB	20,691	21,339
NS	20,657	21,323
SK	19,899	21,183
NB	19,892	20,383
NL	18,792	19,485
PE	19,131	19,746
CAN	22,538	23,203

Source: Statistics Canada - Provincial Economic Accounts, 2004, and Finance

Note: Historical data revised by Statistics Canada.

VALUE-ADDED INDUSTRIES

This measure tracks the percentage of real GDP contributed by the manufacturing and knowledge intensive service sectors, as a proxy for Alberta's value-added industries.

	2000	2001	2002	2003	2004
			(% of real GDP)		
Primary Resources	20.7	19.0	17.6	18.0	18.0p
Value-Added	29.5	29.7	30.4	30.6	30.5p

Source: Statistics Canada - Provincial Economic Accounts, 2004 (Preliminary) and Finance

Note: Historical data revised by Statistics Canada. The percentage of real GDP contributed by the primary resources and value-added industries in 2003 as presented in Measuring Up 2004 were preliminary and were based on Statistics Canada's estimates of real GDP calculated using fixed (Laspeyres) weights. These numbers are no longer published, so this year the values in chained (1997) dollars have been used. This has required that the shares of the sum of industries be used rather than the total real GDP at basic prices, since the industry values calculated with the Chain Fisher formula are no longer additive as was the case last year with the Laspeyres series.

p - preliminary

Primary resource industries are included for comparison to the value-added sector. Value added by an industry is the difference between the gross value of production of that industry less the total value of inputs that go into the production process.

The primary resources sector includes agriculture, fishing and trapping, forestry and mining. The knowledge-intensive services include information and cultural services, professional, scientific and technical services, health care and social assistance, and various membership organizations.

The shares of provincial real GDP in (1997) dollars accounted for by the primary resource and manufacturing sectors are calculated using Statistics Canada's preliminary 2004 GDP by Industry data in chained (1997) dollars. The shares of real GDP accounted for by the knowledge-intensive industries also come from the same table, which lists industry real GDP figures by the North American Industry Classification System. The values of the primary resources sector, the manufacturing sector, and the knowledge-intensive industries are divided by sum of the industries to determine each sector's contribution to the Alberta economy.

EXPORT TRADE

This measure tracks Alberta's international value added exports including manufactured goods, tourism and other services measured in current dollars.

2000	2001	2002 ($billions)	2003	2004
23.9	23.3	22.1	21.2	25.0

Source: Economic Development (derived from Statistics Canada data)

Note: Historical data revised. The value of export trade in 2002 as presented in Measuring Up 2003 were preliminary and have since been revised to incorporate more current data.

Economic Development uses Statistics Canada data to monitor the value of goods exported to other countries. Statistics Canada prepares the data monthly and publishes it in Canadian International Merchandise Trade.

The total value of Alberta's international goods exports is equivalent to Statistics Canada's published numbers, apart from a correction for ethylene glycol exports (ethylene glycol exports were added to Alberta exports, which were previously attributed to British Columbia. As a result, $501 million was added to chemical exports in 2004, $325 million for 2003, $189 million for 2002, $134 million for 2001 and $113 million for 2000). For manufactured goods, export data by commodity from Statistics Canada are used to determine industry-specific export values, using Statistics Canada classifications. (A concordance table is obtained from Statistics Canada that allocates each commodity exported into a specific industry. This concordance table is then modified to reflect unique characteristics of Alberta's economy. For example, natural gas liquids are moved from manufacturing to mining.) Tourism estimates are also obtained from Statistics Canada. Estimates for other services are developed in-house by Economic Development, based on various Statistics Canada surveys.

TOURISM INDUSTRY REVENUE

This measure tracks the annual value of all tourism industry revenue in Alberta. This includes expenditures made in Alberta by visitors from overseas, the United States, other Canadian provinces, and residents of Alberta.

	2002	2003 ($billions)	2004
Tourism Revenue	5.4	4.3	4.6e

Source: Statistics Canada, Canadian Travel Survey and International Travel Survey, and Economic Development

e -estimate

Economic Development uses Statistics Canada data from the Canadian Travel Survey (renamed in January 2005 to Travel Survey of Residents of Canada) (Cat. No. 87-504-XPB) and the International Travel Survey (Cat. No. 66-001) to measure the volume and value of tourism to Alberta. Final year-end data for both surveys are usually not available until August of the following year.

The estimate for 2004 is based on travel statistics that provide an indication of demand, such as Customs counts at Alberta's land and air ports, deplanements at Calgary and Edmonton International Airports, anecdotal information from the Pre-Summer Tourism Operator Survey, and gate counts at Banff, Jasper, Waterton Lakes, and Elk Island National Parks. In addition, occupancy rate information collected by Smith Travel Research is also used to determine the demand for fixed-roof lodging in the Mountain Parks, Edmonton, and Calgary. Domestic data produced by the Canadian Tourism Research Institute are also used in estimating demand from Alberta's key domestic markets, of British Columbia, Saskatchewan, and Ontario. In addition to indicators of demand, estimates of the Travel Price Index are forecast into the future to assist with tourism revenue projections.

BARRIERS TO TRADE

This measure is obtained from the timelines for and results of the legal challenges, and internal documents that have been developed by Sustainable Resource Development to co-ordinate analysis of the proposed changes arising out of discussions with the United States. The international trade and negotiation portions of the dispute are being led by International and Intergovernmental Relations.

The initiative to find a long-term solution for the softwood lumber dispute involves the following stages:

1. Analysis of options presented in U.S. Department of Commerce draft Policy Bulletin - **Not Completed***
2. Modifications to the Community Timber Program to isolate participants from a potential market system - **Completed**
3. Exploration of the possibility of a replacement border measure for the current countervailing duty - **In Progress**
4. Preparation of a revised draft Policy Annex that incorporates proposed forest management policy changes - **In Progress**
5. Exploration of a means to monitor the impact of any policy changes - **In Progress**

* *This stage has not been completed and has been updated to reflect that discussions with the United States have moved in a different direction. Sustainable Resource Development is now analyzing proposed forest management policy changes based on the Alberta Policy Annex that was previously endorsed by the Alberta government, as a starting point for discussions.*

BUSINESS CONNECTIVENESS

The percentage of Alberta households in which at least one member uses the Internet at work is used as a proxy to measure business use of the Internet in the province, as well as the degree of openness Alberta businesses have in adopting new technologies and innovative business practices. Data for the measure is from Statistics Canada, Household Internet Use Survey (HIUS) 2003 conducted as a sub-sample of the Labour Force Survey. The HIUS collected information on the household as a whole. In total, 34,674 households were eligible for the HIUS and 23,113 (66.7%) responded. Data gathered in January 2004 covered household Internet use for the 2003 calendar year. Detailed information about the survey methodology can be found on the Statistics Canada website at http://www.statcan.ca/english/sdds/4432.htm.

	1999	2000	2001	2002	2003
			(percentage)		
NL	14.2	22.0	24.3	25.1	26.8
NB	19.2	24.2	27.9	28.4	28.9
QC	17.2	21.1	28.0	27.3^{E}	29.5
PE	19.8	27.5	30.2	28.5^{E}	31.7
SK	19.3	26.4	27.3	31.2	34.6
NS	19.7	27.0	30.5	30.6	35.0
MB	20.2	27.4	30.7	31.9	37.2
BC	23.6	26.2	32.3	33.6	38.3
ON	24.2	30.9	35.9	39.8	40.5
AB	27.6	36.1	38.3	38.0^{E}	41.8
CAN	21.9	27.5	32.6	34.2	36.5

Source: Statistics Canada - Household Internet Use Survey, 2003, http://www40.statcan.ca/101/cst01/arts50c.htm, November 16, 2004, and Innovation and Science

E - In the 2002 Household Internet Use Survey, Statistics Canada reported the figure for Alberta with the notation "E", indicating that the figure should be used with caution. The precision of the 2002 survey results declined due to a greater degree of non-response error (a lower response rate). It is important to note that the apparent downturn in Alberta's rate may not reflect a reduction in Internet usage. It could be explained by differences in survey response rates, changes to improve non-response imputation and changes to improve weighting procedures between 2001 and 2002.

SPONSORED RESEARCH AT ALBERTA UNIVERSITIES

This measure provides the value of sponsored research at Alberta universities. The funding sources include the provincial government, industry and non-profit organizations, and the federal government.

Sponsored research revenues are those received outside of the university regular operating grant and include both research grants and research contracts. This performance measure reflects research capability in Alberta through the success of its major universities in attracting sponsored research funding from several sources.

	99-00	00-01	01-02	02-03	03-04
			($millions)		
Federal	118.9	131.7	190.2	188.6	245.5
Industry & Non-Profit	79.3	104.0	100.4	94.5	107.0
Other & other gov't	9.8	14.5	20.5	23.9	34.8
Provincial	92.0	118.5	126.3	127.1	196.4
Total	299.9	368.8	437.5	434.2	583.7

Source: 2003-2004 Research Funding at Alberta Universities report, December 2004, Alberta Innovation and Science, University Research and Strategic Investments Branch, (http://www.innovation.gov.ab.ca/inv/sec/ursi/res_rep/index.cfm)

Note: Totals may not add due to rounding.

In 2003-04, the University of Alberta was ranked 6th and the University of Calgary was ranked 9th in sponsored research funding when compared to research universities across Canada.

Source: RESEARCH Infosource Inc., Canada's Top 50 Research Universities, and Innovation and Science http://www.researchinfosource.com/

INDUSTRIAL DISPOSITION PLANNING

This measure tracks the percentage of active oil and gas industrial dispositions subject to Area Operating Agreements.

2002-03	2003-04	2004-05
24%	19%	22%

Source: Sustainable Resource Development

Area Operating Agreements (AOA) are an initiative aimed to facilitate Industry to pursue long-term planning and integrate stakeholder consultations. By completing an AOA for a parcel of public land, approvals for any industrial dispositions are streamlined for the oil and gas industry.

There are essentially three types of industrial dispositions applicable to oil and gas activity on public land. They are:

- Mineral Surface Lease (MSL) that allow the company to drill a well;
- License of Occupation (LOC) to construct a road on public land; and
- Pipeline Agreement (PLA) to build pipelines.

A random, systematic sample of 297 dispositions were drawn from the total base of industrial dispositions (MSL, LOC and PLA) approved during that year to determine if they were subject to an AOA. The total number of dispositions in the sample that were found to be subject to an AOA were divided by the total sample size. Results that are based on a sample size of 297 are considered to be accurate to within +/-5.7%, 19 times out of 20. To ensure that any differences in the results between the reporting years were not due to random sampling error, a test of significance is conducted on the results using the 95% confidence level.

The Area Operating Agreements have been gradually rolled out to all areas of the province. As the geographic scope of the AOAs increase, and industry acceptance and buy in continue, there will be more opportunities for companies to pursue AOAs.

BIODIVERSITY MONITORING SYSTEM

This measure indicates progress on the design and testing of a biodiversity monitoring system. The source for the Biodiversity Monitoring System measure is internal documents that have been developed by Sustainable Resource Development and its partners to coordinate the development of the Alberta Biodiversity Monitoring Program. A review of the progress that has been made within this framework was conducted in order to determine progress towards developing a working prototype.

The initiative to design and test a biodiversity monitoring system involves the following stages:

1. Establish a four-year Alberta Biodiversity Monitoring Program Prototype Project - **Completed**
2. Test and refine existing field data collection protocols - **Completed**
3. Develop outstanding data collection protocols - **In Progress**
4. Develop a data management and reporting system - **In Progress**
5. Develop summary information products - **In Progress**
6. Develop an implementation business plan - **In Progress**

Source: Sustainable Resource Development

OIL SANDS PRODUCTION

This measure identifies annual production of crude bitumen in average barrels per day.

2003	2004
(barrels per day)	
964,000	1,089,300

Source: Energy

All data for this measure is collected from industry and reported by the Alberta Energy and Utilities Board in its annual publication, Alberta Reserves 2003 and Supply/Demand Outlook 2004-13. The industry convention for measuring crude production utilizes cubic metres, which is converted into barrels per day.

The *2004-07 Government of Alberta Business Plan* reported actual production of marketable bitumen and synthetic crude oil. Going forward, the results will be presented as annual total production of crude bitumen. For 2002, this change in methodology resulted in a restatement to 829,000 barrels per day of crude bitumen from 740,300 barrels per day of marketable bitumen and synthetic crude oil. The oil sands production results are subject to amendment from industry revisions to volumetric data supplied to the Alberta Energy and Utilities Board. The change to total crude bitumen is being made to simplify comparisons with other energy commodities and increase awareness of the enormous potential of Alberta's oil sands.

Goal Eight

INTERGOVERNMENTAL RELATIONS

This measure indicates the public approval rating of the Alberta government in federal-provincial relations as a percentage of the average ratings of the four closest provinces.

2000-01	2001-02	2002-03	2003-04	2004-05
118%	119%	107%	100%	88%

Source: *Environics Research Group Limited, Focus Canada Report, 2000-2005, and International and Intergovernmental Relations*

Environics Research Group Ltd. conducts a quarterly national opinion poll surveying the views of Canadians regarding the performance of their provincial and federal governments in various areas of governance. The results for each quarter are reported in a Focus Canada Report (2004-2, 2004-3, etc.). Albertans are asked to rate their approval or disapproval of the way the Government of Alberta is handling federal-provincial relations. The average of the four quarterly surveys shows the percentage of Albertans approving of the government's yearly performance. These results are compared to the average approval rating of the citizens of four other provinces (British Columbia, Saskatchewan, Manitoba and Ontario) for the federal-provincial performance of their respective governments.

The margin of error for a stratified probability sample of the size used for the survey is +/-2.2 percentage points, 19 times out of 20. The approximate margin of error is greater for results pertaining to each of the provinces. For the April 2005 survey, the percentage point margin of error for each of the provinces is: Ontario (4.1), Manitoba (8.9); Saskatchewan (8.9); Alberta (7.1); and British Columbia (6.8), 19 times out of 20.

PROVINCIAL CREDIT RATING

This measure indicates Alberta's blended credit rating for domestic debt relative to British Columbia, Ontario and Canada.

Year	Alberta	Ontario	B.C.	Canada
1997	AA	AA-	AA+	AAA
1998	AA+	AA-	AA	AAA
1999	AA+	AA-	AA	AAA
2000	AA+	AA-	AA-	AAA
2001	AAA	AA-	AA-	AAA
2002	AAA	AA	AA-	AAA
2003	AAA	AA	AA-	AAA
2004	AAA	AA	AA-	AAA
2005	AAA	AA	AA	AAA

Source: *Finance*

A credit rating is an independent credit rating agency's assessment of the future ability of an organization to repay its long-term debt, and a method of comparing the quality of different bond issues. A blended rate is an average (rounded) of the domestic debt credit ratings issued by the following credit rating agencies: Standard and Poor's Rating Services; Moody's Investors Service Limited; and Dominion Bond Rating Service. The highest possible rating is AAA.

ACCUMULATED DEBT

The *Fiscal Responsibility Act* sets out the government's minimum required schedule to repay the $12.5 billion of accumulated debt that was remaining as of March 31, 2000 over a maximum of 25 years. The legislation includes five-year milestones for repayment of the accumulated debt.

Accumulated debt includes the outstanding consolidated debt of the General Revenue Fund, the debt of the Alberta Social Housing Corporation (net of borrowing from the General Revenue Fund) and the government's liability for school construction.

The following table shows the province's accumulated debt less funds locked into the Debt Retirement Account. The maturities of the investments of the Debt Retirement Account have been matched to the maturities of the accumulated debt obligations.

	Fiscal Year End ($billions)
1999-00	12.5
2000-01	8.2
2001-02	5.7
2002-03	4.7
2003-04	3.7
2004-05	zero

Source: Government of Alberta, Consolidated Financial Statements for the year ended March 31, 2005

TAX LOAD

Tax load, or tax effort, compares actual tax revenues generated within a province to the revenue that the province would generate if it were taxed at national-average tax rates. Tax load is expressed as an index with the average provincial tax load equal to 100 basis points.

Province	2003-04	2004-05
	(percentage)	
AB	76.8	77.5
ON	96.3	99.4
NS	105.5	102.0
BC	105.5	103.3
NB	107.3	104.4
PE	108.3	105.8
NL	113.6	111.2
MB	110.8	111.4
QC	115.3	111.9
SK	122.6	118.2

Source: Federal Department of Finance, Third Estimate for 2004-05, February 2005 and Finance

Note: Historical data revised by Federal Department of Finance.

This measure of tax load includes: personal and business taxes; provincial-municipal taxes including property taxes, non-renewable resource revenues and net income from commercial operations; and revenue from premiums, fees, and licenses including health care premiums. Each year, the provinces report these tax revenues to the federal government as part of the reporting requirements for the Equalization program. The territories are excluded from this calculation because they are not part of the Equalization program.

National average tax rates are calculated by dividing total national tax revenue by the national tax base. The revenue that the province would generate if it taxed at national rates is equal to the national-average tax rate multiplied by the provincial tax base for each of the tax categories.

Provincial tax load is equal to the ratio of actual provincial revenues divided by the results of the previous calculation multiplied by 100.

The data to calculate the tax load is obtained from the Federal Department of Finance, and the tax load data is derived by Finance.

GOVERNMENT FINANCIAL ACCOUNTABILITY

This measure reports the percentage of Albertans satisfied with the information they receive from the Alberta government on the government's financial performance.

2002-03	2003-04	2004-05
67%	57%	55%

Source: Survey conducted by Environics West for Public Affairs Bureau, and Finance

It reports information from a telephone survey conducted for Public Affairs Bureau. In 2005, 1,000 adult Albertans in rural and urban areas were interviewed. Albertans were asked the following question: "How satisfied are you with the information you receive from the Alberta government on the government's financial performance?" The results are reliable to within +/-3.0%, 19 times out of 20.

Goal Nine

EFFECTIVENESS OF HUMAN RIGHTS PROTECTION

This measure identifies the percentage of adult Albertans who indicated that human rights are "fairly well" or "very well" protected in Alberta.

2000-01	2001-02	2002-03	2003-04	2004-05
84.3%	85.7%	83.7%	84.8%	87.6%

Source: Community Development, based on Research Innovations Inc. surveys

The Community Development Survey of Albertans is an annual province-wide telephone survey of 1,000 adult Albertans. Research Innovations Inc. conducted this survey using a random sample stratified by age group, gender and geographic location to be representative of Alberta's population. Results are based on the combined total of adult Albertans who indicated human rights are "fairly well" or "very well" protected in Alberta, the top two categories of a four-point rating scale.

All interviews were conducted in January 2005 by trained and experienced interviewers. Question order was randomly rotated to minimize potential question order bias. Interviews were monitored while in progress and 10% of each interviewer's work was directly monitored. The response rate was 51.9%. Data were analyzed with STATXP software. The margin of error is +/-3.2% at the 95% confidence level.

CRIME RATE - VIOLENT AND PROPERTY

The Violent Crime and Property Crime Rates compare Alberta's crime rate per 100,000 population to those of British Columbia, Saskatchewan and Manitoba. The rate is defined as the total number of Criminal Code of Canada incidents involving youth and adults. Crime statistics are collected using the Uniform Crime Reporting Survey, a common survey used to measure police-reported crime in each Canadian jurisdiction. Many factors may influence police-reported crime statistics: reporting by the public to the police; reporting to Canadian Centre for Justice Statistics by the police; the impact of new initiatives such as changes in legislation, policies or enforcement practices; and, demographic, social and economic changes. Population data from Statistics Canada is used to convert reported crime into crime rates per 100,000 population.

Violent Crime Rate

This measure expresses Alberta's violent crime rate in comparison to the other three western provinces. Violent crime involves offences that deal with the application, or threat of application of force to a person. These include homicide, attempted murder, various forms of sexual and non-sexual assault, robbery and abduction. Traffic incidents that result in death or bodily harm are not included.

Province	**2001**	**2002**	**2003**
		(per 100,000)	
Alberta	1,102	1,079	1,100
British Columbia	1,223	1,210	1,206
Manitoba	1,617	1,638	1,626
Saskatchewan	1,833	1,854	2,057

Source: *Canadian Crime Statistics, Canadian Centre for Justice Statistics*

Note: *Historical data revised by the Canadian Centre for Justice Statistics.*

Property Crime Rate

This measure expresses Alberta's property crime rate in comparison to the other three western provinces. Property crime includes incidents involving unlawful acts with the intent of gaining property, but do not involve the use or threat of violence against an individual. Theft, breaking and entering, fraud and possession of stolen goods are examples of property crimes.

Province	**2001**	**2002**	**2003**
		(per 100,000)	
Alberta	4,413	4,676	5,121
Manitoba	5,134	4,964	5,581
Saskatchewan	5,967	5,797	6,613
British Columbia	6,484	6,537	6,922

Source: *Canadian Crime Statistics, Canadian Centre for Justice Statistics*

Note: *Historical data revised by the Canadian Centre for Justice Statistics.*

PERCEPTION OF SAFETY IN THE NEIGHBOURHOOD

This measure identifies the percentage of Albertans who felt safe walking alone in their neighbourhoods at night.

2001-02	**2002-03**	**2003-04**	**2004-05**
78%	77%	76%	77%

Source: *Justice and Solicitor General, Survey of Albertans*

This question is different than was reported in the *2002-03 Measuring Up* document. This new question, which asks Albertans how "safe" they feel walking alone in their neighbourhoods at night, is a more appropriate indicator of Perception of Safety in the Neighbourhood than the previously reported percentage of Albertans who felt "comfortable" walking alone at night in their neighbourhood. This question is also comparable with a question asked in the national General Social Survey conducted by Statistics Canada, which allows for more comparability of Alberta results with other Canadian jurisdictions.

Data for the public perception of safety in the neighbourhood is collected through a telephone survey conducted for Justice and Solicitor General. Consistent with surveys in previous years, 750 Albertans 18 years of age or over were interviewed, thereby, providing a margin of error that is no greater than +/-3.6% at the 95% confidence level.

WORKPLACE LOST-TIME CLAIM (LTC) RATE

The LTC rate represents the probability, or risk, of disabling injury or disease to a worker during a period of one year's work. The measure indicates the number of lost-time claims per 100 person-years worked to indicate increases or decreases in this risk.

2000	2001	2002	2003	2004
		(LTC rate)		
3.4	3.2	3.0	2.9	2.6

Sources: Human Resources and Employment, and Workers' Compensation Board

The Alberta Workers' Compensation Board (WCB) records a LTC when a worker, his/her physician, or his/her employer submits an injury report form. The WCB collects this information and provides the data files to Human Resources and Employment (HRE) for analysis. The LTC rate is reported by calendar year and is calculated by HRE using the following formula:

$$\text{LTC Rate} = \frac{\text{Number of LTC}}{\text{Estimated Person-Years*}} \text{ X } 100$$

* *One person-year is equivalent to one full-time worker working for one year, or 2,000 hours worked.*

INVOLVEMENT OF DRINKING DRIVERS IN FATAL COLLISIONS

This measure indicates the percentage of drivers in fatal collisions in Alberta who were judged to have consumed alcohol before the collision.

2000	2001	2002	2003	2004
20.2%	21.0%	20.7%	22.3%	19.1

Source: Infrastructure and Transportation, Alberta Collision Information System

Data for this measure is taken from the Alberta Collision Information System, which is administered by Infrastructure and Transportation. The results for the measure are based on a calendar year. Drivers involved in fatal collisions in Alberta are included in the results. Driver condition data is compiled from collision reports completed by the attending law enforcement officer. Drinking drivers are those who, in the officer's judgment, have consumed alcohol prior to the collision. During the reporting period, there were a total of 471 drivers involved in fatal collisions in the Province of Alberta for whom a driver condition was specified on the collision report form. Driver condition includes "normal", "had been drinking", "alcohol impaired", "impaired by drugs", and "fatigued/asleep". Driver condition was unspecified for 60 drivers involved in fatal collisions, and are not included in the results.

WORK STOPPAGES

This measure refers to the percentage of Collective Bargaining Agreements (CBAs) that have been successfully negotiated and ratified by the parties involved without a work stoppage.

2000-01	2001-02	2002-03	2003-04	2004-05
98.3%	98.2%	93.2%	99.3%	99.4%

Source: Human Resources and Employment

Human Resources and Employment (HRE) collects data on the number of collective bargaining agreements settled without a work stoppage and the number of legal strikes/lockouts. This measure does not include data on illegal strikes and lockouts. This measure is reported by fiscal year and is calculated by HRE using the following formula:

$$\text{\% of CBAs settled without a work stoppage*} = \frac{\text{\# of settled CBAs - \# of settlements}}{\text{\# of settled CBAs}} \text{ X } 100\%$$

* *This measure includes data from all contracts under the Alberta Labour Relations Code and the Police Officers' Collective Bargaining Act. Contracts covered under other legislation are excluded (i.e. contracts under the Public Service Employees Relations Act, Federal jurisdiction, the Post Secondary Learning Act.*

HARMONIZED SECURITIES LEGISLATION

This measure tracks progress towards having uniform securities legislation adopted by each jurisdiction in Canada. A Provincial/Territorial Memorandum of Understanding regarding securities regulation was signed in 2004-05 that includes a commitment to highly harmonized and simplified securities laws.

WILDFIRE PREVENTION

This measure tracks the number of human-caused fires within Alberta's Forest Protection Area. Effective April 1, 2004, staff in Forest Protection Division of Sustainable Resource Development implemented changes to the methodology that is used to count the number of wildfires in order to allow Alberta's statistics to be comparable to the data gathered in other jurisdictions. As a result, 2004 data is not comparable to target or to previous years' data.

Every wildfire is investigated to determine the cause, which is then entered into Alberta's Fire Information Resource System. If the wildfire is human-caused, then it is further investigated to determine the responsible party. The data in this report excludes industry-caused wildfires (i.e., activities of the forest industry, railway, and other industries). Activities such as willfully caused wildfires, recreation, residents and other miscellaneous human causes are included in this analysis. While data is collected and entered on a year round basis, results reported are limited to wildfires assessed during the legislated fire season (April 1 to October 31) to allow for year-to-year comparisons.

The number of human-caused fires within Alberta's Forest Protection Area was 734 in 2004.

Source: Sustainable Resource Development

Goal Ten

GREENHOUSE GAS EMISSIONS INTENSITY INDICATOR

The Greenhouse Gas Emissions Intensity Indicator reflects greenhouse gas (GHG) emissions from Alberta sources as a function of the province's gross domestic product (GDP). The measure uses the amount of GHG emissions (in millions of tonnes of CO_2 equivalent) divided by Alberta's GDP. GHG emissions data is provided by Environment Canada, while GDP data is provided by Statistics Canada. To arrive at the indicator, the value of emissions divided by GDP is then compared to a 1990 baseline intensity value (1990=100) to provide a relative measure of emissions intensity for the province. GDP is measured in millions of constant (1997) dollars to ensure the numbers are comparable.

	1999	2000	2001	2002	2003
Indexed Intensity (1990=100)	92	90	87	85	85

Source: Environment

Note (1) Based on draft 2003 GHG emission estimates from Environment Canada as of May 20, 2005.

Note (2) Current figures reflect an adjustment made to both GHG emissions and GDP data back to 1990 (by Environment Canada and Finance, respectively).

MUNICIPAL SOLID WASTE TO LANDFILLS

This measure tracks the kilograms per capita of municipal solid waste going into landfills.

2000	2001	2002	2003	2004
(kilograms per capita)				
741	757	761	796	800

Source: Environment

This measure tracks the kilograms per capita of municipal solid waste going into municipal landfills in Alberta, and includes waste from the residential, industrial, commercial and institutional, and the construction, renovation and demolition sectors. The calculation is based on the kilograms of municipal solid waste sent to each landfill, and the population served by each applicable landfill. The measure is calculated using federal 2001 census information unless a more recent municipal census exists. The calculation can also be further divided to illustrate urban and regional disposal amounts. The information is voluntarily provided by landfills, and all reporting landfills have weigh scales. Approximately 82 percent of Alberta's population is served by reporting landfills. Estimates are used for the remaining population, and are derived by multiplying measured urban and measured regional per capita disposal rates with unmeasured urban (if applicable) and unmeasured regional populations.

RIVER WATER QUALITY INDEX

The River Water Quality Index is used to evaluate water in Alberta's major river systems with respect to four groups of variables: metals, bacteria, nutrients and pesticides. Results from these four groups are combined to provide an indication of overall water quality. River water quality is reported because the effects of human activities are generally more diverse and easier to measure in rivers than in lakes. The index can be used to show relative differences in water quality between rivers, between sites on the same river (e.g., upstream and downstream from developed areas), and over time. Such differences highlight degradation or improvement that has a human cause.

Overall, index values show no trend towards degradation in water quality. In 2003-2004, the quality of Alberta's major rivers was generally rated "good" to "excellent".

	99-00	00-01	01-02	02-03	03-04
			(index)		
OLDMAN RIVER					
Upstream of Lethbridge	98	96	97	77	90
Downstream of Lethbridge	87	93	96	75	89
BOW RIVER					
Upstream of Calgary	96	99	100	100	98
Downstream of Calgary	81	87	82	92	90
RED DEER RIVER					
Upstream of Red Deer	85	90	89	95	94
Downstream of Red Deer	75	85	92	90	89
NORTH SASKATCHEWAN RIVER					
Upstream of Edmonton	84	90	98	97	98
Downstream of Edmonton	79	84	83	90	74
SMOKY/PEACE RIVERS					
at Watino	87	90	94	90	91
at Ft Vermilion	84	91	84	91	93
ATHABASCA RIVER					
at Athabasca	89	95	99	93	97
at Old Fort	88	93	95	94	95

Source: Environment

Index	Guidelines
96 - 100	Almost always met: "Best" Quality (Excellent).
81 - 95	Occasionally exceeded, but usually by small amounts; threat to quality is minimal (Good).
66 - 80	Sometimes exceeded by moderate amounts; quality occasionally departs from desirable levels (Fair).
46 - 65	Often exceeded, sometimes by large amounts; quality is threatened, often departing from desirable levels (Marginal).
0 - 45	Almost always exceeded by large amounts; quality is significantly impaired and is well below desirable levels: "Worst" Quality (Poor).

Data for the River Water Quality Index are collected monthly at a number of locations throughout the province. These stations make up the provincial Long-Term River Network. Stations upstream and downstream from agricultural, industrial, or municipal areas are compared to examine the overall impact of these developments on river water quality. Index values for a sub-set of these stations from the province's six major river systems show changes in water quality that have occurred over the past eight years.

Monthly water quality samples are collected at two locations for each of the province's six major river systems. An index value is calculated for each of four variable groups for data collected between April and March, representing both a fiscal and a "water" year:

- Metals (22 variables measured quarterly);
- Nutrients (6 variables measured monthly, includes oxygen and pH);
- Bacteria (2 variables measured monthly); and
- Pesticides (17 variables measured four times through the summer).

Index values for the four variable groups are then averaged to produce an overall index of surface water quality that can be tracked over time.

The formula used to calculate index values for each group is based on three statistical attributes of water quality with respect to desirable levels (defined by water quality guidelines in most cases):

- Scope - the total number of water quality variables that do not meet guidelines,
- Frequency - the number of individual measurements for all variables combined that do not meet guidelines, and
- Amplitude - the amount by which measurements do not meet guidelines.

Variables in the first three groups (metals, nutrients and bacteria) are compared to guidelines listed in Surface Water Quality Guidelines for Use in Alberta. Where a number of guidelines exist for one variable, the guideline for the most sensitive use (recreation, agriculture, or the protection of aquatic life) is typically chosen. Drinking water guidelines are not considered, since surface water should not be used for drinking without first being treated.

Variables in the fourth group (pesticides) are evaluated based on whether they can be detected in a water sample. This conservative approach was adopted because some pesticides do not yet have official guidelines and, unlike metals, nutrients and bacteria, do not occur naturally in the environment.

DRINKING WATER SAFETY INDICATOR

The Drinking Water Safety Indicator is comprised of three separate measures that collectively provide an indicator of the performance of regulated waterworks facilities in delivering safe drinking water to Albertans.

	2003-04	2004-05
Facility Design Standards		
Number of regulated facilities	544	545
Number of facilities meeting newest (1997) standards	377	409
Number of facilities meeting pre-1997 standards	167	136
Facility Operational Requirements		
Number of incidents	59*	45
Number of facilities where incidents occurred	40*	35
Water Quality		
Number of incidents where health-related limits were exceeded	48*	69
Number of facilities where incidents occurred	47*	49

Source: Environment

* *Data for 2003-04 has been restated to ensure all available data is used and to allow consistent year-to-year comparison.*

Under the *Environmental Protection and Enhancement Act*, Environment regulates waterworks facilities that provide drinking water to Albertans, including campgrounds and rural subdivisions that use surface water sources, and all waterworks in villages, towns, and cities.

The Facility Design Standards measure is based on an assessment of existing regulated waterworks facilities against the newest Environment design standards for water treatment systems. Standards are revised every five to ten years, with the latest revision in 1997. Staff members at Environment update these assessments throughout the year and report the results annually. The reported results indicate the number of facilities that have maintained or upgraded to meet the latest requirements.

In 2004-2005, 409 facilities out of a total of 545 (75%) were assessed as "current", a net increase of 32 facilities from the previous year. The performance of the remaining facilities is frequently reviewed to determine when improvements will be necessary. Infrastructure upgrades are often complex and costly and must be planned over a number of years.

The Facility Operational Requirements measure shows incidents where approval conditions have not been met that could lead to water quality concerns. Approved facilities are required to report non-compliance. In addition, Environment staff annually inspects approved facilities and reports non-compliance incidents.

In 2004-2005, 45 important incidents were identified in 35 facilities. This is a decrease from the 59 incidents identified last year in 40 facilities. Environment works with facility owners and operators to correct operational problems and the results indicate that this has been effective in reducing problems.

The Water Quality measure shows incidents where the water supplied by a facility had a water quality parameter (chemical, physical or bacteriological) exceed the limits attached to the facility's approval or registration. Approved drinking water facilities must report on the quality of their facility's treated water against regulatory limits. Alberta has adopted the health-related limits of the *Guidelines for Canadian Drinking Water Quality* published by Health Canada as well as establishing performance requirements for specific treatment technology used.

Achieving specified performance requirements indicates a plant is operating effectively. If requirements are not met, the operator must take immediate corrective action to bring the facility to within acceptable performance requirements. If the problem continues, intervention by Environment and the local health authority may be required. Intervention may range from a public health advisory preventing consumption of the water, to a requirement to upgrade a waterworks facility.

In 2004-05, the number of water quality incidents increased from 48 incidents at 47 facilities, to 69 incidents at 49 facilities over the previous year. Of note, however, the number of self-reported incidents rose from 15 to 52, while government identified incidents fell from 33 to 17. This indicates operators are becoming more aware of their operating requirements and their need to report incidents, and are identifying, reporting, and taking action to correct problems immediately.

There were four incidents of treatment chemicals being over-fed as compared to two incidents for the previous year. There were six incidents of microbial contamination in the distribution system as compared to a single incident in the previous year. There was one incident of a chemical quality parameter (lead) being above acceptable values. Both the microbial and chemical parameter incidents were likely due to a local plumbing problem and not associated with the overall water supply or distribution system.

There were 43 incidents this year where filtration or disinfection performance needed correction to return to acceptable levels as compared to 18 incidents reported last year.

Fourteen facilities had high trihalomethanes (THMs) levels as compared to 25 facilities in the previous year. (THMs are a byproduct of disinfecting drinking water with chlorine in the presence of organic material.) The reduction is due in part to facilities being upgraded, as well as more comprehensive assessment of the levels of THMs in the water throughout the year showing compliance. The remaining facilities are either planning solutions or optimizing treatment to reach acceptable levels.

AIR QUALITY INDEX (AQI)

This measure indicates the number of "good", "fair", "poor" and "very poor" air quality days.

	"Good" Days	Good	Fair	Poor	Very Poor
	(percent)	(number of days)			
2001*	97	353	12	0	0
2002**	96	351	13	0	0
2003***	96	350	14	0	0
2004	98	357	9	0	0

Source: Environment

* *Based on data from six stations*

** *Based on data from seven stations*

*** *Based on data from nine stations*

The AQI is calculated from outdoor concentrations of five major air pollutants monitored at stations across the province. In 2004, the AQI was calculated at three stations in each of Edmonton and Calgary, one station in each of Lethbridge, Red Deer, and Fort Saskatchewan, and two stations in Fort McMurray. The pollutants used to calculate the AQI are carbon monoxide, fine particulate matter ($PM_{2.5}$), nitrogen dioxide, ozone and sulphur dioxide. The AQI number is calculated hourly and then converted into air quality days. Results are rounded to the nearest whole day. The air quality categories ("good", "fair", "poor" and "very poor") are derived using formulas based on air quality objectives under the *Environmental Protection and Enhancement Act* and the National Ambient Air Quality Objectives.

In 2003, the AQI was modified to include hourly measurements of small particulates ($PM_{2.5}$). $PM_{2.5}$ are particles that are small enough to be inhaled into the lungs and, depending on their composition, may be a human health concern. Hourly $PM_{2.5}$ data are available from all eleven stations used to calculate the AQI in 2004, and all nine stations used to calculate the AQI in 2003. However, in 2002, hourly $PM_{2.5}$ was not measured at the Calgary Northwest and Calgary East stations. In 2001, hourly $PM_{2.5}$ was not measured at the Calgary Northwest, Calgary East and Fort Saskatchewan monitoring stations.

Air quality is influenced by a number of factors including vehicle emissions, weather patterns, forest fires and intensity of industrial development. In Alberta, "poor" or "very poor" air quality can occur when smoke from forest fires is transported into urban centres. "Poor" air quality can also occur during summertime and wintertime smog events.

Goal Eleven

PARTICIPATION IN ARTS AND CULTURAL ACTIVITIES

This measure indicates the percentage of adult Albertans who attend or participate in arts and cultural activities in a given year.

2000-01	2001-02	2002-03	2003-04	2004-05
89.7%	88.9%	89.2%	85.5%	87.2%

Source: Community Development, based on Research Innovations Inc.

The Community Development survey of Albertans is an annual province-wide telephone survey of 1,000 adult Albertans. Research Innovations Inc. conducted this survey using a random sample stratified by age group, gender and geographic location to be representative of Alberta's population. Respondents were asked if they had personally attended or participated in a broad range of arts and cultural activities in the last year.

All interviews were conducted in January 2005 by trained and experienced interviewers.

Question order was randomly rotated to minimize potential question order bias. Interviews were monitored while in progress and 10% of each interviewer's work was directly monitored. The response rate was 51.9%. Data were analyzed with STATXP software. The margin of error is +/-3.2% at the 95% confidence level.

SPORT AND RECREATION PARTICIPATION

This measure indicates the percentage of adult Albertans who participate in sport and recreational activities in a given year.

2000-01	2001-02	2002-03	2003-04	2004-05
86.1%	84.5%	82.6%	80.4%	83.4%

Source: Community Development, based on Research Innovations Inc.

The Community Development survey of Albertans is an annual province-wide telephone survey of 1,000 adult Albertans. Research Innovations Inc. conducted this survey using a random sample stratified by age group, gender and geographic location to be representative of Alberta's population. Respondents were asked if they had participated in a recreational activity such as walking, bicycling, skiing, golfing, skating, swimming and amateur sports in the past year.

All interviews were conducted in January 2005 by trained and experienced interviewers. Question order was randomly rotated to minimize potential question order bias. Interviews were monitored while in progress and 10% of each interviewer's work was directly monitored. The response rate was 51.9%. Data were analyzed with STATXP software. The margin of error is +/-3.2% at the 95% confidence level.

VISITOR SATISFACTION WITH PROVINCIAL HISTORIC SITES, MUSEUMS AND INTERPRETIVE CENTRES

This measure indicates the percentage of visitors to provincial historic sites, museums and interpretive centres who were satisfied overall with their experience.

2000-01	2001-02	2002-03	2003-04	2004-05
98.5%	98.6%	97.9%	97.7%	97.7%

Source: Community Development and Infact Research and Consulting Inc.

The satisfaction level of "independent" visitors at provincial historic sites, museums and interpretive centres is determined through Community Development's Heritage Facilities Visitor Survey. Independent visitors do not include school groups, tours or other groups; after-hours visitors to facilities; people attending education programs; or visitors attending facilities for special functions. Trained ministry field staff conducted the survey, and a private research firm (Infact Research and Consulting Inc.) supervised and coordinated surveying and analyzed the results according to a standard set of procedures. Overall results were determined using the top two combined response categories of a five-point rating scale for the categories "excellent", "good", "neither good nor poor", "poor" and "very poor". A multi-stage, stratified systematic random sample was used, and each facility was sampled independently. More than 5,800 interviews were processed at 17 facilities across the province, and 99.7% of respondents who completed the survey answered the overall satisfaction question. The margin of error is +/-1.3% at the 95% confidence level.

The sample was based on two seasons, winter 2003-04 and summer 2004. Winter data were collected the previous year, from September 2002 to May 2003, and adjusted to represent the winter of 2003-04. Surveying during winter is conducted on an occasional basis only, as the winter period makes up a relatively small proportion of visitation. Summer data were collected from May to September 2004.

PUBLIC LIBRARY USE

This measure indicates the percentage of adult Albertans who used a public library in Alberta in a given year.

2000-01	2001-02	2002-03	2003-04	2004-05
53.8%	52.0%	52.8%	51.2%	50.2%

Source: Community Development, based on Research Innovations Inc.

The Community Development survey of Albertans is an annual province-wide telephone survey of 1,000 adult Albertans. Research Innovations Inc. conducted this survey using a random sample stratified by age group, gender and geographic location to be representative of Alberta's population. Respondents were asked if they had used a public library in Alberta in the past 12 months.

All interviews were conducted in January 2005 by trained and experienced interviewers. Question order was randomly rotated to minimize potential question order bias. Interviews were monitored while in progress and 10% of each interviewer's work was directly monitored. The response rate was 51.9%. Data were analyzed with STATXP software. The margin of error is +/-3.2% at the 95% confidence level.

LEVEL OF COMMUNITY VOLUNTEERISM

This measure indicates the percentage of adult Albertans who volunteer in a given year.

2000-01	2001-02	2002-03	2003-04	2004-05
75.2%	69.5%	70.6%	68.3%	66.5%

Source: Community Development, based on Research Innovations Inc. surveys

The Community Development survey of Albertans is an annual province-wide telephone survey of 1,000 adult Albertans. Research Innovations Inc. conducted this survey using a random sample stratified by age group, gender and geographic location to be representative of Alberta's population. This measure represents the percentage of adult Albertans who made an unpaid contribution of time, energy and/or talents to charitable or non-profit organizations, causes, community development activities, or help through personal initiative to individuals.

All interviews were conducted in January 2005 by trained and experienced interviewers. Question order was randomly rotated to minimize potential question order bias. Interviews were monitored while in progress and 10% of each interviewer's work was directly monitored. The response rate was 51.9%. Data were analyzed with STATXP software. The margin of error is +/-3.2% at the 95% confidence level.

FILM PRODUCTION EMPLOYMENT OPPORTUNITIES

This measure indicates the number of film production employment opportunities for Albertans supported by the Alberta Film Development Program in a given year.

2000-01	2001-02	2002-03	2003-04	2004-05
(number of employment opportunities)				
2,583	2,377	1,740	3,241	3,505

Source: Community Development

An Alberta employment opportunity is counted when an individual, who is a resident of Alberta, provides a service to a film production and receives credit and reimbursement for that service. Film production companies approved for funding under the Alberta Film Development Program submit film production reports to Community Development for each production satisfactorily completed. Information from the production report is entered into an internal database. Data for a production are included in the fiscal year that the grant was paid or accrued. Reporting may occur in a different fiscal year than the year in which the bulk of production work takes place due to project completion times crossing the reporting year and influencing results for the following year. The production report includes a video copy of the finished production; appropriate financial statements (audit or review engagement) with clear schedules outlining Alberta expenses; a list of all personnel engaged on the project, including job titles and residency; and a confirmation that the applicant and the production meet all eligibility requirements for the program. Productions with budgets over $500,000 require audited financial statements with an audited Alberta cost schedule outlining expenses incurred in Alberta. Productions with budgets less than $500,000 require a Review Engagement Report.

VISITOR SATISFACTION WITH PROVINCIAL PARKS AND RECREATION AREAS

This measure indicates the percentage of visitors who were satisfied overall with the services and facilities at Alberta's provincial parks and recreation areas.

2003-04	2004-05
90.4%	90.9%

Source: Community Development

The level of visitor satisfaction at provincial parks and recreation areas is determined through Community Development's Camper Satisfaction Survey. The survey includes a representative cross-section of 106 provincial parks or recreation area campgrounds according to size (visitation) and geography. Only automobile accessible campgrounds where visitation is greater than 1,050 occupied campsite nights are included. A random sample of adult campers is surveyed at approximately 35 campgrounds per year on a three-year rotational cycle. Although 36 campgrounds were identified to be surveyed in 2004-05, two campgrounds were excluded from the analysis due to inadequate sample size and two campgrounds did not participate. Overall results are determined through the combined response categories of "very satisfied" and "satisfied", the top two categories of a five-point rating scale. More than 3,100 responses were collected from May to September 2004. Results were calculated with Statistical Analysis System software. The margin of error is +/-1.6% at the 95% confidence level.

Goal Twelve

PHYSICAL CONDITION OF HEALTH FACILITIES

The Facility Condition Index (FCI) is the ratio of the cost to correct current and future (five year) physical condition deficiencies, relative to current facility replacement values.

A ministry-wide interpretation of FCI values for building infrastructure is as follows:

Condition	Meaning
Good	Facilities with an FCI of less than 15%.
Fair	Facilities with FCIs that are equal to or greater than 15% and equal to or less than 40%.
Poor	Facilities with FCIs that are greater than 40%.

The cost to correct physical deficiencies in health facilities was obtained through evaluations conducted by professional consultants or qualified staff of the Health Regions, and reviewed by the Health Regions and Infrastructure and Transportation. In cases where facility evaluation data was incomplete, Infrastructure and Transportation estimated the total physical deficiency costs, based on ongoing working knowledge obtained through on-site participation. Replacement values were determined using factors, such as construction type, maintenance responsibility type, location, and gross building area.

	2003-04	2004-05
	(percentage)	
Good	84	71
Fair	11	25
Total	95	96

Source: Infrastructure and Transportation

Under the Government of Alberta's Capital Planning Initiative, definitions for physical condition are as follows:

Condition	Meaning
Good	Adequate for intended use and expected to provide continued service life with average maintenance.
Fair	Aging components are nearing the end of their life cycle and require additional expenditures for renewal or refurbishing.
Poor	Upgrading is required to comply with minimum codes or standards and deterioration has reached the point where major repairs or replacement are necessary.

Infrastructure in "good" or "fair" condition is rated as acceptable.

PHYSICAL CONDITION OF LEARNING FACILITIES

Schools

This measure reports the percentage of total schools in acceptable ("good" or "fair") condition, out of the total number of schools rated.

In the original 1999-00 condition assessments, a non-weighted point scoring system was used for the number and type of deficiencies. Those schools with a point rating between 0 to 399 were in "good" condition; those with 400 to 799 points were in "fair" condition; those with 800 or more points were considered to be in "poor" condition.

The department is in the process of conducting follow up assessments on the original 1999-00 assessments, which began in 2004. However, the difference in the approach is:

- Staged implementation - rather than evaluating all schools at once in one short timeframe, the objective for this round of assessments is to implement an ongoing process whereby a school will be assessed once every five years.

- Facility Condition Index (FCI) - rather than focusing on reporting a raw score, the FCI is calculated in order to comply with the approach used in other facility assessments. Although the end result for an FCI might differ from the previous approach, it still identifies a "good", "fair", and "poor" rating.

Unlike the original 1999-00 assessments, which used a point based approach, the facility re-evaluations calculate the FCI. The FCI is the ratio of forecasted costs to correct physical deficiencies relative to the replacement value. This ratio is then expressed as a percentage based on the same three point scale used in the 1999-00 assessments: i.e., "good", "fair" and "poor".

See methodology for Physical Condition of Health Facilities for interpretation of FCI values and definitions of "good", "fair" and "poor".

	2001-02e	2002-03e	2003-04e	2004-05e
	(percentage)			
Good	47	52	52	61
Fair	44	42	42	36
Total	91	94	94	97

Source: Infrastructure and Transportation
e -estimates

Independent, third party contractors, who have expertise in facility evaluations, conducted all of the reviews.

Data are the result of condition assessments of school facilities owned by school boards and funded by Infrastructure and Transportation and do not include outreach facilities.

Post-Secondary Institutions

This measure is a percentage of the total instititions rated in "good" or "fair" condition using FCI.

	2003-04e	2004-05e
	(percentage)	
Good	45	51
Fair	39	37
Total	84	88

Source: Infrastructure and Transportation
e - estimates

The index ratio compares the total cost of deficiencies to the replacement value of the facility. The total cost of deficiencies was calculated by taking the estimated cost of remedial work recommended for the next five years to bring the condition level to either "good" or "fair", and adjusting it for factors such as location, contingency and consultant fees. Data are based on 2000-01 evaluations made by external consultants which are updated annually by facilities managers and deposited in Infrastructure and Transportation's Building and Land Information Management System.

See methodology for Physical Condition of Health Facilities for interpretation of FCI values and definitions of "good", "fair" and "poor".

PHYSICAL CONDITION OF GOVERNMENT-OWNED AND OPERATED BUILDINGS

This measure reports the percentage (based on replacement costs) of government-owned and operated buildings in acceptable ("good" or "fair") physical condition. Replacement cost is based on average dollars per square metre.

	2001-02	2002-03	2003-04	2004-05
	(percentage)			
Good	55	50	47	44
Fair	42	47	49	53
Total	97	97	96	97

Source: Infrastructure and Transportation

Condition is based on an assessment of five major building systems. Each system is given a condition rating from one to six, and a weighted average of the five systems produces the overall building rating. Buildings with an overall rating of one, two or three are considered "poor", four is considered "fair", and five or six are considered "good".

Condition was also evaluated this year using FCI, a methodology less susceptible to evaluator subjectivity and more consistent with how condition is measured for other government facilities. The FCI is the percentage of the total estimated value of the maintenance and renewal requirement over the next five years divided by the building replacement cost. Under FCI the overall percentage of acceptable facilities remained at 97%, although some facilities moved from "fair" to "good" condition and vice versa. As more data is collected using FCI methodology, it will eventually replace the old condition rating scale.

The data was collected through condition inspections and assessments by Infrastructure and Transportation staff and consultants on a five-year cycle basis with one fifth of the data collected each year. Facilities owned by government but leased or operated by others were excluded from this measure.

PHYSICAL CONDITION OF PROVINCIAL HIGHWAYS

This measure reports the percentage of provincial highways with pavement in acceptable ("good" or "fair") physical condition.

	2002-03	2003-04 (percentage)	2004-05
Good	65.8	65.5	65.5
Fair	23.0	23.3	23.3
Total	88.8	88.8	88.8

Source: Infrastructure and Transportation

See methodology for Physical Condition of Health Facilities for definitions of "good", "fair" and "poor".

The International Roughness Index (IRI) measures the roughness of roads and is used to categorize overall physical condition of provincial highways into "good", "fair", and "poor" sections. The IRI values are collected annually. Using laser-based equipment, the average IRI level is reported over each 50 metre segment of the highway. This detailed data is further averaged over one kilometre sections to provide an assessment of condition over practical lengths. The source IRI data was collected and processed by independent consultants. Data received was reviewed and used by Infrastructure and Transportation staff in the performance measure analysis.

Infrastructure and Transportation's method of reporting uses standards established as a result of a comprehensive research study conducted by the University of Calgary on highway condition and other measures.

UTILIZATION OF PROVINCIAL HIGHWAYS

This measure reports the percentage of the provincial highway system that is equal to or better than the targeted Level of Service (LOS) "C". If a highway meets or exceeds the targeted LOS, it is being utilized as planned.

2001-02	2002-03	2003-04	2004-05
99.8%	99.8%	99.9%	99.8%

Source: Infrastructure and Transportation

LOS is defined as follows:

LOS	Definition
A	Traffic is practically unimpeded.
B	Ability to maneuver within traffic is only slightly restricted.
C	Freedom to maneuver within traffic is noticeably restricted.
D	Freedom to maneuver is severely limited.
E	Boundary between levels D and E describes operation at capacity. There are virtually no usable gaps in traffic.
F	There is a breakdown of traffic flow. This is characterized by stop and go conditions.

LOS is an international measure based on traffic's ability to move freely. The LOS calculations are based on the methodology outlined by the United States Transportation Research Board's Highway Capacity Manual. Traffic capacity was determined for each highway segment from Infrastructure and Transportation's physical inventory. Traffic demand was calculated using traffic volume data (for peak-hour volumes) collected along the highway network throughout the province. Intersection counts were also performed to determine the types of vehicles using each section of highway. The source traffic volume data was collected and processed by independent consultants. Data received was reviewed and used by ministry staff to calculate LOS.

CONSTRUCTION PROGRESS ON THE NORTH-SOUTH TRADE CORRIDOR

The measure is calculated by totalling the number of kilometres twinned and open to travel versus the total kilometres of the corridor (1,175).

1999-00	2000-01	2001-02	2002-03	2003-04	2004-05
57.0%	69.2%	77.1%	78.3%	83.5%	83.5%

Source: Infrastructure and Transportation

Completion reports and documentation for twinning projects are prepared by independent consultants and reviewed and used by the ministry staff in the performance measure analysis.

RING ROADS IN EDMONTON AND CALGARY

This measure is the percentage of ring roads in Edmonton and Calgary open to travel as multi-lane facilities. The total corridor length consists of approximately 99 kilometres in Calgary and 80 kilometres in Edmonton.

2002-03	2003-04	2004-05
18.2%	18.2%	18.2%

Source: Infrastructure and Transportation

The measure is based on construction project data. The percentage is calculated by totaling the number of kilometres multi-laned and open to travel versus the total kilometres along the corridor (179).

SUPERNET COMPLETION

This measure tracks the number of communities connected to Alberta SuperNet.

	2002-03	2003-04	2004-05
	(number of communities)		
Rural	6	11	173*
Urban	0	0	27

Source: Restructuring and Government Efficiency

* *This number includes communities that are Internet Service Provider (ISP) Ready (where ISPs may begin to offer commercial services to residences and businesses), and also includes communities where SuperNet facilities are online and operational.*

Community connection targets for this measure are based on progress in both the Extended Area (rural) and Base Area (urban) Networks. In February 2005, an agreement was signed between Bell and Axia to see faster completion of the network. By April 30, 2005 most communities were expected to be ISP Ready (which allows interested ISPs to begin to offer commercial services to residences and businesses). Most government, health, library and education facilities will be connected by June 30, 2005 and the total network will be operational by September 30, 2005. As of March 31, 2005 construction was complete in over 95% of the SuperNet communities with remaining construction scheduled or underway. Over 15% of SuperNet facilities already have SuperNet available to them, and approximately 50 service providers have signed letters of intent to use Alberta SuperNet to deliver service to rural communities.

Data is collected and reviewed by Restructuring and Government Efficiency's SuperNet Build Team, using weekly status updates provided by the prime contractor for SuperNet.

PHYSICAL CONDITION OF WATER MANAGEMENT INFRASTRUCTURE

This table shows the percentage of Alberta's government-owned and operated water management infrastructure that is in acceptable ("fair", or "good" or "excellent") physical condition. Assets include headworks, dams and irrigation canals.

	1999	2004
	(percentage)	
Excellent	2.80	4.39
Good	87.30	88.94
Fair	5.80	6.14
Total	95.90	99.47

Source: Environment
Note: Majority of assets inspected in 2004.

The rating criteria used is as follows:

Condition	Meaning
Excellent	New or like new requiring minimal maintenance.
Good	Fully operational and requiring normal maintenance.
Fair	Operational but requiring considerable ongoing maintenance.
Marginal	Operational but requiring excessive ongoing maintenance or failure may be possible during a major event.
Poor	Not operational or failure may be imminent or occurred.

There are three external factors that can affect results on this performance measure:

1. Water management infrastructure is not upgraded as needed;
2. Flood or other acts of nature cause costly damage to water management infrastructure; and
3. Changes in legislation require costly alterations to be made to water management infrastructure.

Assessments are done by a combination of internal staff and independent consultants on the basis of visual inspections and discussions with staff that are familiar with the operation of the infrastructure. Where initial inspections identify potential problems, a more detailed analysis utilizing engineering techniques is employed to confirm the nature and extent of the problems. Due to the large number of water management structures, assessments are done on a rotational basis annually. A realistic goal would be to have a third of the infrastructure assessed per year.

Readership Survey

The *Government of Alberta Annual Report* combines government's non-financial performance assessment, *Measuring Up*, with Alberta's *Consolidated Financial Statements* to give a more complete picture of the province's economic, social and financial position in one publication.

How useful is this report to you?

This Readership Survey will tell us how important and how valuable you find the two parts of this report. Please read each statement and choose the option that best indicates your level of satisfaction.

You can complete this survey online at www.finance.gov.ab.ca or remove this sheet from the Annual Report and fax it to Performance Measurement at (780) 422-2164 (toll free in Alberta by dialing 310-0000 then 780-422-2164). The readership survey can also be mailed to:

Performance Measurement
Room 455, Terrace Building
9515-107 Street
Edmonton, Alberta, Canada T5K 2C3

CONSOLIDATED FINANCIAL STATEMENTS

Based on your reading of the Consolidated Financial Statements, indicate how satisfied you are that...

1. The information in the *CFS* is easy to understand.

____ Very Unsatisfied ____ Unsatisfied ____ Somewhat Unsatisfied ____ Somewhat Satisfied ____ Satisfied ____ Very Satisfied

2. The information in the *CFS* is useful.

____ Very Unsatisfied ____ Unsatisfied ____ Somewhat Unsatisfied ____ Somewhat Satisfied ____ Satisfied ____ Very Satisfied

3. There is enough detail for me in the *CFS*.

____ Very Unsatisfied ____ Unsatisfied ____ Somewhat Unsatisfied ____ Somewhat Satisfied ____ Satisfied ____ Very Satisfied

4. The *CFS* meets my overall needs for information.

____ Very Unsatisfied ____ Unsatisfied ____ Somewhat Unsatisfied ____ Somewhat Satisfied ____ Satisfied ____ Very Satisfied

MEASURING UP: THE PERFORMANCE MEASUREMENT REPORT

Based on your reading of 2004-05's Measuring Up, indicate how satisfied you are that...

1. The information in *Measuring Up* is easy to understand.

____Very Unsatisfied ____ Unsatisfied ____ Somewhat Unsatisfied ____ Somewhat Satisfied ____ Satisfied ____ Very Satisfied

2. The information in *Measuring Up* is useful.

____Very Unsatisfied ____ Unsatisfied ____ Somewhat Unsatisfied ____ Somewhat Satisfied ____ Satisfied ____ Very Satisfied

3. The level of detail for me in *Measuring Up*.

____1. Too little ____ 2. ____ 3. Adequate ____ 4. ____ 5. Too much

4. *Measuring Up* meets my overall needs for information.

____Very Unsatisfied ____ Unsatisfied ____ Somewhat Unsatisfied ____ Somewhat Satisfied ____ Satisfied ____ Very Satisfied

5. Which of the following would be the most useful improvements to *Measuring Up*.

____ more interpretation of indicators ____ more international comparisons ____ more information on government strategies

____ more information on domestic trends ____ better graphics and illustrations ____ other (please specify) ______________

SUGGESTIONS FOR IMPROVEMENTS

Your opinion is important to us. But to improve our report, we need more information. Please use the space below to tell us how to make these reports easier to understand and more useful to you.

The *Consolidated Financial Statements* can be improved by:

Measuring Up can be improved by:

View the Government of Alberta Annual Report online at: **http://www.finance.gov.ab.ca**

For additional copies of the *Government of Alberta Annual Report* contact:

Alberta Finance Communications at (780) 427-3035

Toll free from anywhere in Alberta, callers should dial 310-0000-780-427-3035

Comments or questions on *Measuring Up* may be sent to:

Alberta Finance
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